



EXECUTIVE OFFICE OF THE PRESIDENT
CHIEF OF STAFF & HEAD OF PUBLIC SERVICE
*OFFICE OF THE DEPUTY CHIEF OF STAFF,
PERFORMANCE & DELIVERY MANAGEMENT*

EXECUTIVE OFFICE OF THE PRESIDENT
THE CABINET OFFICE

MEDIA BRIEF

OFFICE OF THE DEPUTY CHIEF OF STAFF, PERFORMANCE AND DELIVERY MANAGEMENT, SECRETARY TO THE CABINET OFFICE AND MINISTRY OF COOPERATIVES AND MICRO, SMALL AND MEDIUM ENTERPRISES (MSME) DEVELOPMENT EMBARK ON EXERCISE TO VET MINISTERIAL PERFORMANCE CONTRACT COMMITMENTS FOR FY 2024 /2025

The Office of the Deputy Chief of Staff (DCoS), Performance and Delivery Management along with the Cabinet Office was this afternoon hosted by the Ministry of Cooperatives and Micro, Small and Medium Enterprises (MSMEs) Development. The ministry is proud to share significant achievements aligned with the Government's Bottom-Up Economic Transformation Agenda (BETA). These successes reflect our dedication to economic growth, value chain improvement, and sustainable agriculture, supporting BETA's goals of innovation and sustainable development.

Key Achievements Aligned with the BETA Agenda:

Financial Inclusion

The government has provided Kenyans and MSMEs with access to affordable credit through the Hustler Fund. Since its launch, new individual subscribers have grown from zero to 21.87 million by June 2024 with personal loans issued to individual members totalling KShs 54.9 billion as at June 2024. New group member subscribers to the Hustler Fund have grown from zero to 673,340 by June 2024 with loans issued to Micro and Small Groups totalling KShs 185.8 million as at June 2024.

2 million Hustler Fund members have been rehabilitated and ready to be graduated into the mainstream financial system.

Co-operatives: Promoting Savings and Investments

Co-operatives registration has increased by 325% with 2,999 new cooperatives registered in priority value chains from 922 in 2022 to 3,921 in 2024. Membership to regulated SACCOS has increased from 6.1 million to 6.84 million, an increase of 740,000 representing a 12.1% growth.

Voluntary savings of Ksh. 3.2 billion have been made through the Hustler Fund

Common User Facilities to Promote Value Chains

The ministry has carried out the refurbishment and equipping of 21 Constituency Industrial Development Centers (CIDCs) to promote MSME value chains in leather, textile, construction, dairy and edible oils. These CIDCs provide working spaces for MSMEs allowing them to practice their trade in these facilities. The CIDCs have consequently created 5,600 job opportunities.

Coffee Sector Reforms

The new KPCU's processing capacity increased significantly by 7,595 metric tonnes reaching 8,470 metric tonnes in 2024 a growth of 7,595MT representing a growth of 868% increase since 2022.

Dairy Value Chain

Under the Dairy Value Chain, the processing capacity of Kenya Cooperative Creameries has increased by 75,000 liters per day from 800,000 liters per day in 2022 to 875,000 liters per day in 2024. The guaranteed minimum return for milk has increased from KShs 37 in 2022 to KShs 50 in 2024, an increase of KShs 13 representing an 35% increase.

Mobilization of Funds in Support for MSMEs

Over Ksh. 60 billion have been mobilized from development partners to support MSMEs through the Kenya Jobs and Economic Transformation (KJET), National Youth Opportunities towards Advancement (NYOTA), Supporting Access to Finance and Enterprise Recovery (SAFER) and Centre for Entrepreneurship (C4E) projects.

Digitization of Government Services

In effort to improve the accessibility of services offered to Kenyans, the Ministry has onboarded 319 out of 369 services representing an achievement of 86%.

Key commitments aligned to the (2024-2025) BETA Agenda.

Promotion of Kenya Coffee

This will entail the government participating in national and international coffee trade fairs to promote Kenya's coffee.

Waiving verified coffee debts

The Ministry will facilitate the verification of submitted coffee debts and waive the same up to a value that is accommodated by the budgetary allocation (Ksh. 2b for the FY 24/25)

Governance and accountability within the cooperative movement enforced

The Ministry will carry out the following activities in its endeavor to fulfill this commitment:

- Disseminate code of conduct and ethics to cooperative societies management

- Conduct inspections in Cooperatives societies as a prerequisite for inquiries in Cooperatives, as well as a mandate in Apex, Federation, Diaspora, Digital & Holdings Cooperatives
- Train cooperative officials on Ethics, Integrity and Good Governance as per the existing MOU with EACC Process all the corruption and noncompliance cases submitted to the State Department
- Sensitize 47 County Government staff on the Cooperatives Act
- Disseminate the Cooperatives Act to stakeholders (Cooperatives)

Other activities to be carried out under this commitment include

- Prepare quarterly and annual reports on Declaration of Income Assets, Liabilities for Cooperative Societies officials
- Review MOU with EACC on combating and preventing corruption, economic crime and unethical practices in cooperative societies
- Conduct inquiries in Cooperatives societies
- Issue all applicable surcharges
- Register all submitted audited accounts
- Register all eligible audit firms authorized to audit cooperatives societies
- Issue two technical updates on emerging issues affecting Cooperative societies

Enabling Access to Quality and Affordable Finance for Growth of the MSME Sector

The Ministry will carry out the following activities under this commitment:

- Develop and socialize Financial Inclusion Fund credit score to promote credit worthiness
- Develop and promote adoption of alternative data for credit underwriting
- Undertake mid-term evaluation to assess impact of Financial Inclusion Fund (FIF)

Creating a Conducive Business Environment for MSME Sector

The activities that will be carried out under this commitment by the Ministry include:

- Review MSE Policy 2020 and forward to the Cabinet for approval
- Develop MSME formalization policy and forward to Cabinet for approval
- Review the MSE Act 2012 and forward to the Cabinet for approval
- Develop draft MSME Start-up Bill
- Develop the Financial Inclusion Policy and forward to the Cabinet for approval