



**REPUBLIC OF KENYA  
THE NATIONAL TREASURY & ECONOMIC PLANNING**

**FOURTH MEDIUM TERM PLAN (2023-2027)**

**FINANCIAL SERVICES SECTOR PLAN**

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# 1. Introduction

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- Financial Services Sector (FSS) was identified as one of the eight priority sectors under the economic pillar of Vision 2030- FSS (2023-2027) is a successor to the FSS(2018-2022).
- The vision for FSS is to “*create a vibrant and globally competitive financial sector that will promote high levels of savings to finance Kenya’s investment needs.*”
- BETA recognizes FSS as a key enabler of socio-economic development, particularly by facilitating access to affordable finance.
- The previous sector plans have achieved the following just to mention a few:
  - Strengthening legal and regulatory frameworks, building infrastructure to support electronic payments, and embracing digital financial services
  - Regulation of Digital Credit Providers; expansion of mobile money interoperability; and launch of a new payments system, Kenya Electronic Payments and Settlement System.
  - Deepening of financial markets infrastructure
  - MSMEs inclusion through establishment of Credit Guarantee Scheme
  - Establishment of the Nairobi international financial centre to position Kenya as a Financial Hub in Sub-Saharan Africa
  - Broaden financial inclusion with the proportion of adults using formal financial services rising from 26.7% in 2006 to 83.7% in 2021 and 84.8% in 2024

## 2. Challenges in the Sector

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- Financial inclusion gaps by gender & region
- limited access to affordable finance especially for MSMEs women, Youth, PWDs and actors in the agricultural and rural sectors
- MSME informality limits credit access;
- Digital risks: cybercrime, fraud, data privacy;
- High credit and other financial transactional costs;
- low savings and investment rates relative to GDP

### 3. FSS Goals, Programmes and Projects FSS (2023-2027)

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#### **Goals**

- i. Deepen **access** to all financial services;
- ii. Enhance **efficiency , stability** and **integrity** in the Financial sector
- iii. Enhance **financial literacy** and **consumer protection**;
- iv. Mobilize higher levels of **savings** and **investments**;

#### **Programmes and Projects**

- i. Development and implementation of a National Digital Finance Inclusion Strategy to address the exclusion problem
- ii. Deepen financial inclusion to meet consumer needs in a sustainable way.
- iii. Strengthen Virtual Assets ecosystem, boost e-commerce, facilitate cross-border transactions and create a new class of jobs.
- vi. Operationalization of the Kenya Credit Guarantee company
- vii. Strengthening of the Green Finance programme
- viii. Development of the Nairobi International Financial Centre
- ix. Modernize supervision
- x. Promote long term savings through pension and insurance
- xi. Increase affordable mortgage through Kenya Mortgage Refinancing Company

## 4. Policy, legal and institutional reforms

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Success of this plan requires various policy, legal and regulatory reforms such as:

- Insurance Policy,
- National Credit Information Sharing Policy;
- Macroprudential Policy,
- Unclaimed Financial Assets Policy,
- Disaster Risk Financing Strategy
- Review of sub-sector legal frameworks
- Establishment of Kenya Credit Guarantee Company

## 5. Conclusion

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To foster successful implementation of the FSS Plan, TNT together with stakeholders will:

- a) Deploy **harmonized coordination** among all stakeholders,
  - i. Build **synergies** to foster institutional capacities and
  - ii. promote **commitment to collective action**.
- b) Undertake robust **monitoring and evaluation**, and identify and address challenges during implementation phase

Thank  
you

