



2025 Annual report

www.fsdkenya.org



fsd
Kenya

20 Years
creating value through
inclusive finance



2025 Annual report

www.fsdkenya.org



March 2026

Financial Sector Deepening Kenya (FSD Kenya) is an independent trust dedicated to the achievement of a financial system that delivers value for a green and inclusive digital economy while improving financial health and capability for women and micro and small enterprises (MSEs).

FSD Kenya works closely with the public sector, the financial services industry, and other partners to develop financial solutions that better address the real-world challenges that low-income households, micro and small enterprises, and underserved groups such as women and youth face.

Current FSD Kenya funders are the UK government through UK International Development, the Swedish International Development Cooperation Agency (Sida), The International Fund for Agricultural Development (IFAD), and the Gates Foundation.

FSD Kenya is part of the FSD Network, a group of Financial Sector deepening programmes seeking to build diverse and inclusive financial systems across Africa, enable inclusive growth and enhance the financial resilience and sustainable livelihoods for all.

ISBN 978_9914_777_03_1



Gates Foundation

UK International Development
Partnership | Progress | Prosperity



Except where otherwise noted, this work is licensed under CC BY-ND 4.0. Quotation permitted. Contact FSD Kenya via communications@fsdkenya.org regarding derivatives requests.

Every effort has been made to verify the accuracy of the information contained in this report. All information was believed to be correct as of March 2026. Nevertheless, FSD Kenya cannot accept responsibility for the consequences of its use for other purposes or in other contexts.

Contents

01	Foreword	1
02	Introduction	2
03	FSD Kenya's strategy and approach	4
	The 2022 – 2025 strategic period	4
	The 2026 – 2030 strategic period	5
04	FSD Kenya: Twenty years of a market systems approach in the Kenyan financial system	8
05	Highlights of FSD Kenya's work from 2025	12
	Insights from the 2024 FinAccess sector reports	13
	CIS ValiData: Fixing Kenya's credit information sharing puzzle	15
	The rise of shared services for Savings and Credit Co-operative Organisations (SACCOs) in Kenya	17
	Nanyuki bulk water project: A county green preparation facility flagship driving jobs, growth and green capital markets	19
	A solution for credit exclusion for small-scale producers and MSEs in Kenya: A focus on alternative data	21
	Small loans, big flows: Inside AMFI's water and sanitation rotational credit fund model for water access	23
	Healthcare financial diaries: Understanding Kenyans' needs, health seeking and financing behaviour	25
	Supply-side data market infrastructure: Catalysing data-driven innovation through the WE Finance Code Kenya Chapter	27
	Sustainable Urban Economic Development (SUED): From urban planning to real opportunities for jobs and better livelihoods	29
06	Blogs and publications	31
07	Events and webinars	33
08	Financials	34
09	FSD Kenya's Programme investment committee(PIC)	35
10	FSD Kenya team	36



1

Foreword



Kenya is recognised around the world as a leader in both increasing access to financial services by leveraging digital tools such as mobile money and also in leveraging that access to enable innovators to build savings, credit, insurance, investments, and pension solutions.

Many of these solutions are designed to meet the needs of those who were traditionally excluded or underserved by the financial services - low-income households, micro, small and medium enterprises, farmers, casual workers, women, youth, and people with disabilities. It has been my honour to be a part of the FSD Kenya team as we walked the journey alongside policymakers, regulators, financial service providers, researchers, technical service providers, and civil society to identify the barriers for inclusive finance and work together across the entire financial system to address these barriers and unlock opportunities for transformation.

It has also been my privilege to spend time with the underserved communities across Kenya - pastoralists in Marsabit county, mango farmers in Makueni, furniture makers in Kawangware, traders in Kisumu, subsistence farmers in

Kajiado, cross-border traders in Busia, tea farmers in Murang'a, herders in Taita Taveta, cobblers in Kwale, shopkeepers in Machakos, civil servants in Nyeri, community health workers in Kakamega, flower farm workers in Karagita, and so many more. The more time we spent with these communities, the more we realised that access to finance was not enough. Finance needs to be designed to help people meet their day to day needs such as ensuring everyone in the family eats every day, deal with the inevitable shocks of life such as a large medical expense or a drought, and the ability to invest in the future for educational expenses for the next generation or planning for financial security later in life.

That is why FSD Kenya, in partnership with the Central Bank of Kenya and the Kenya National Bureau of Statistics, started measuring financial health with the 2016 FinAccess data. Once again, Kenya was a pace setter, being the first country in Africa, and one of the first around the world, to ask whether financial services were living up to their promise of providing solutions to the challenges and opportunities of households, enterprises and communities.

The divergence between rapidly increasing access to finance and deteriorating financial health has been a wake up call across the entire ecosystem. It is a testament to the leadership of the public and private sector that enhancing financial health has become a top priority as highlighted in the National Financial Inclusion Strategy (NFIS) 2025-28, "Leveraging Digital Transformation and Financial Literacy to enhance Financial Inclusion and Financial Health."

Translating this strategy into reality on the ground and in people's lives will be a challenge, especially in the context of the current geopolitical and economic challenges across the world. I am confident that my FSD Kenya colleagues, under the leadership of Rashmi Pillai, are more than capable to continue to walk that journey with the Kenyan financial sector to build truly inclusive finance that enhances financial health for all Kenyans. I am exceedingly grateful for my time working with this incredible team and our incredible partners in Kenya and will continue to support the progress of Kenya's financial health journey from afar.

Tamara Cook



2

Introduction



Two decades after FSD Kenya was established, Kenya's financial system looks dramatically different from what it was in 2005. Access to formal finance has expanded to reach most adults, digital payments are embedded in daily life, and a vibrant ecosystem of providers, innovators, regulators and development partners is shaping the frontier of inclusive finance.

Yet, as the 2024 FinAccess and other sector reports remind us, this progress has not always translated into greater financial health, resilience or opportunity for those who need it most.

We enter our 2026–2030 strategic period with a clear view of this paradox. Kenya has a bigger, more profitable and more sophisticated financial system than at any point in its history, but vulnerable households, women, youth and micro and small enterprises have not been the primary beneficiaries of this growth. Many still juggle volatile incomes, high-cost credit, shallow savings buffers and exposure to climate and health shocks. Financial inclusion has deepened in terms of access, but too often without matching improvements in quality, affordability trust and impact.

At the same time, we must be honest that resilience alone is not enough. Even as FSD Kenya, working with other financial sector players supports households and enterprises manage shocks better,

the underlying “pie” of income and opportunity is under pressure from the climate crisis, economic volatility, a youth employment crisis and persistent informality. Our ambition for the 2026 - 2030 strategic period is therefore two-fold: to build pathways to resilience against climate and economic shocks, and to expand pathways to opportunity—creating the conditions for higher and more stable livelihoods, better quality jobs and productive investment that enables women, youth and MSMEs to secure their futures.

FSD Kenya's 2026 - 2030 strategy responds to this reality by deliberately balancing both pathways. **It asks a simple but demanding question: what would it take for Kenya's financial system to consistently deliver value-adding finance** – finance that enables people and enterprises to manage day-to-day, deal with risk, invest with confidence and participate in a greener, more productive economy?

To answer that question, we will focus our efforts in four areas. First, we will work with policymakers, regulators and market actors to strengthen the policy, regulatory and digital public infrastructure foundations of the financial system, including implementation of the Fourth Medium Term Plan for the financial sector and the Kenya National Financial Inclusion Strategy (2025 -2028).

Second, we will deepen our role as a thought leader, generating compelling evidence and fostering a dynamic information ecosystem that keeps financial health, quality and consumer outcomes at the centre of sector reforms. Third, we will lean into the opportunities and risks at the intersection of climate, food systems and finance. Through our work on green agri-food systems and county green investment pipelines, we will help demonstrate how well-structured, climate-smart finance can unlock jobs, productivity and resilience—targeting the creation of over 200,000 green jobs for youth and women while supporting Kenya's broader transition to a low-carbon, climate-resilient economy.



Finally, we will remain deliberately flexible, pursuing strategic opportunities where FSD Kenya’s convening role, technical expertise and partnerships can catalyse outsized impact. Our stewardship of the Sustainable Urban Economic Development (SUED) programme—through which we have deployed around **GBP 9.1 million (USD 12.2 million)** in FCDO seed capital, catalysing close to **GBP 50.9 million (USD 68.2 million)** in total investment, supporting **14,536 jobs to date, with a further 85,909 projected**—illustrates the kind of catalytic, place-based finance we intend to scale.

This foreword is also a moment to acknowledge what we are building on. Under Tamara Cook’s leadership, FSD Kenya has helped the sector confront uncomfortable truths about the limits of access-driven inclusion and has anchored financial health, gender equality and climate resilience more firmly in the national conversation. The stories in this report—from shared services for SACCOs and credit information reform, to green county infrastructure, health and agriculture finance, and the WE Finance Code Kenya Chapter—reflect the collective efforts of our team, funders and partners to test solutions to complex, systemic challenges. I am honoured to inherit this legacy and deeply grateful to Tamara for her stewardship and for the thoughtful transition she has led.

Looking ahead, my commitment as the Chief Executive Officer is that FSD Kenya will continue to be a trusted, independent, systems-focused partner to Kenya’s public, private and civic

institutions. We will remain grounded in data and lived realities, candid about what is and is not working, and ambitious about what finance can and should do for people, enterprises and the planet. I invite our partners—old and new—to join us in this next chapter, as we work together to shape a financial system that not only reaches more Kenyans but genuinely expands their choices, resilience and opportunities to build dignified, sustainable, prosperous futures.

Rashmi Pillai

Rashmi Pillai
Chief executive officer



3

FSD Kenya's strategy and approach

The 2022 – 2025 strategic period

FSD Kenya's 2022 - 2025 strategy was set out to contribute to the development of financial markets offering useful, affordable, and trusted financial solutions for low-income households, women and Micro and Small Enterprises (MSEs). Building on learnings from both FSD Kenya and the broader family of the FSD Network across the continent, the strategy had a "real economy" focus on delivering value-adding finance.





To demonstrate how finance can work for the real economy, FSD Kenya prioritised several sectors based on a gap analysis for women and MSEs and the potential to demonstrate the power of inclusive finance. These sectors are:

- a. **Agriculture and processing finance**
- b. **Health finance**
- c. **Affordable housing finance**

As FSD Kenya engaged at the intersection of the real economy and financial sector, the focus was on shifting key functions of the financial market towards more inclusive finance. These functions of the financial market were:

Effective policy, regulation, and vision: The enabling environment shifted towards the idea of more inclusive, digital, and greener finance, and FSD Kenya’s strategy walked closely with policymakers and regulators to turn those ideas into reality through the implementation of government initiatives such as the National Payments Strategy and Medium-term plans leading to Vision 2030.

Open financial market infrastructure: Although Kenya has made progress in terms of the reach and effectiveness of financial market information such as digital payments, credit information sharing and national IDs, FSD Kenya sought to facilitate greater openness, interoperability, portability, risk mitigation, and improving financial service delivery, especially at the last mile.

Value-adding financial solutions: With progress in the enabling environment, market infrastructure and access, Kenya is well placed to show what truly value adding finance can look like. The challenge now is to design and deliver useful, affordable and trusted financial solutions that help people seize economic opportunities and manage risks and shocks. Kenya already has many

promising examples, and FSD Kenya has worked with market actors to understand when finance delivers value versus when it extracts it, and to support the scaling of solutions that genuinely improve people’s lives.

FSD Kenya’s work during the 2022 – 2025 strategic period was also guided by four strategic drivers intended to lead to greater impact from more inclusive finance:

- Positioning **gender and women’s economic empowerment** at the centre of FSD Kenya’s strategy.
- Meeting the financial needs of **MSEs** for growth and resilience.
- Leveraging the opportunities and mitigating the challenges of a more **digital economy**.
- Factoring in **climate risks and green opportunities**.

The 2026 – 2030 strategic period

In 2005, Kenya’s financial system was largely inaccessible to most of its population, with vulnerable, underserved Kenyans and micro and small enterprises (MSEs) facing systemic barriers to finance, characterised by limited and expensive financial products, weak infrastructure, and policies. Financial exclusion was a daily struggle that stifled opportunity and resilience for many Kenyans and Kenyan enterprises.

Since it was established as an independent trust in 2005, Financial Sector Deepening Kenya has implemented financial sector deepening work, contributing to significant strides in access and usage of finance. In 2024, nine out of 10 Kenyans (84.5 percent) had access to formal financial services up from three out of 10 Kenyans (26.7 percent) in 2006.

The trust operates under the supervision of professional trustees, with policy guidance from a Programme Investment Committee (PIC) and with funding from the UK government through UK International Development, the Swedish International Development Cooperation Agency (Sida), The International Fund for Agricultural Development (IFAD), and the Gates Foundation. It is part of the FSD Network, a group of financial sector deepening programmes seeking to build diverse and inclusive financial systems across Africa, enable inclusive growth and enhance the financial resilience and sustainable livelihoods for all.

FSD Kenya works with the public sector, the financial services industry, and other partners to develop Kenya’s financial system to one that delivers value for a green and inclusive digital economy, while improving financial health and capability for youth, women and micro and small enterprises (MSEs) and their communities.

What Kenya needs from inclusive finance

Kenya’s financial system is bigger, more profitable, and in parts, more innovative in 2025 than it was in 2005 when FSD Kenya was established. It is also more inclusive in terms of access to formal financial services, even if vulnerable, underserved Kenyans and micro and small enterprises (MSEs) have not been the biggest beneficiaries of its growth.

Significant gaps remain in the quality and impact of financial services, particularly when it comes to financial health¹, consumer protection and debt distress. Moreover, the financial system has grown in size and sophistication in that time, but remains concentrated and uneven. Five banks control over 60 percent of banking assets, while savings rates and access to productive credit remain low. Informality persists, and the startup ecosystem, though vibrant, is not yet fully integrated into the broader financial landscape.

Due to these factors, Kenya’s financial sector faces a paradox: there exists widespread access without deep impact and the system risks “growing old before it has grown up”. More inclusive, but not more transformative.

¹ The ability to manage their current financial obligations, be resilient to financial shocks, and achieve long-term goals, with the added subjective element of feeling confident and in control of their finances. Only two in 10 adults (18.3%) and just 14.7% of women are financially healthy.



FSD Kenya’s contribution to Kenya’s financial sector (2026 – 2030)

FSD Kenya will focus on four areas in the quest to unlock resilient futures for women, youth, MSMEs & their communities through value-adding finance for inclusive economic transformation:

FSD Kenya’s 2026 -2030 strategy is designed to contribute to the objectives of the Fourth Medium Term Plan (MTP IV) for the Financial Services Sector and the Kenya National Financial Inclusion Strategy (2025-2028).

The strategy’s engagement model is built on the premise that Kenya’s financial system ought to be built to improve livelihoods, resilience, and wellbeing. Building such a financial system requires aligned incentives; robust policy and regulation; open market infrastructure; and financial solutions tailored to diverse needs. The engagement model can be summarised as below:

- **Policy and infrastructure:** enabling policy and regulatory framework and an open and efficient financial market and digital public infrastructure.
- **Thought leadership:** compelling evidence, actionable insights and a dynamic information ecosystem that aligns incentives for an inclusive and green financial sector. Case in point being FinAccess surveys, and the gender disaggregated MSME credit analysis [dashboards](#) by the Kenya Bankers Association (KBA), Metropool CRB and FSD Kenya.
- **Green agri-food systems:** a financial system that delivers value-adding finance for inclusive, digital, green and resilient agri-food systems, aligns economic incentives with biodiversity goals and generates livelihoods.
- **Strategic opportunities:** seeking partnerships and potential funding in line with FSD Kenya’s vision and comparative advantage with potential for impact through finance for women, youth & MSMEs.

FSD Kenya’s engagement model





FSD Kenya Instruments

In line with relevant policies and procedures, the following instruments are available to FSD Kenya to engage with partners to achieve market system development.





4

FSD Kenya:

Twenty years of a market systems approach in the Kenyan financial system



When FSD Kenya was established in 2005 as a specialised market systems facilitator, only about three in ten Kenyan adults (27%) had access to formal financial services. Twenty years later, that figure stands at eight in ten (84.7%). This note captures the deliberate, behind-the-scenes market systems role that FSD Kenya played in shaping that transformation.



A market systems approach does not build financial services directly. Instead, it works on the conditions that allow markets to function better for poor and excluded people - the quality of information in the system, the policy and regulatory environment, the infrastructure that providers depend on, and the innovation ecosystem that generates new products

and business models. Since 2005, FSD Kenya has pursued all of these levers consistently, supported by a core group of bilateral donor agencies and private philanthropies at an average of \$6.5 million per year.

In practice, this has meant working across four interconnected areas:

- **Building the evidence base:** Well-functioning markets require high quality, reliable information. FSD Kenya initiated the FinAccess household survey in 2006 as a way of mapping and better understanding who was financially included and who was not. Since then, the FinAccess survey has been administered six times, most recently in 2024. FinAccess has become the benchmark survey of its type, informing policy decisions, shaping donor programming and tracking progress on financial access, usage and health. It has also become genuinely sector-owned: other agencies co-fund it, with FSD Kenya covering just a seventh of the costs in the latest round. Beyond FinAccess, FSD Kenya has invested in understanding how poor households actually experience financial services. The Kenya Financial Diaries (2015) followed a small group of low-income households closely for over a year, revealing the fragility and complexity of their financial lives - findings that the Gates Foundation brought to global attention and that have shaped product design and policy thinking well beyond Kenya².
- **Supporting the development of a sound policy and regulatory environment:** FSD Kenya's work, especially through research, technical support, and convening, has shaped several key policies that transformed Kenya's financial system. For example, FSD Kenya's role in the creation of M-Pesa was subtle and largely out of the public eye, but nonetheless significant. It funded a consultancy which assisted the early development, and more importantly, played an important role in advocating for the 'no objection' letter from the Central Bank of Kenya (CBK) which allowed M-Pesa to launch in 2007, in advance of enabling regulations which followed six years later. FSD Kenya's work also influenced the Finance Act of 2010 which amended the Banking Act and Microfinance Act to allow for agent banking in Kenya, directly dismantling the requirement for a physical branch as the sole point of service delivery. At the time, this brought banking services closer to poor and underserved communities, including delivery of emergency relief through government payments such as the Hunger Safety Net Programme.³
- **Supporting the development of financial rails (market infrastructure):** Shared market infrastructure are the rails on which financial products and services can rest. They reduce operating costs of participating institutions, mitigate against systemic risk, and increase market access. But no single player has the incentive to build a common shared platform alone. FSD Kenya provided long-term support for two critical pieces of Kenya's financial plumbing: PesaLink, an instant inclusive payment system that allows money to move cheaply across banks⁴; and credit information systems (through Credit Information Sharing Kenya), which enables lenders to make better-informed decisions and extends credit access to borrowers without traditional credit histories. Neither would have emerged as quickly, or as inclusively, through commercial incentives alone. More recently, FSD Kenya has supported SACCO regulator, the SACCO Societies Regulatory Authority (SASRA) towards the development of SACCO Central, a shared services model providing specialised shared services to its members. These shared services include a SACCO Central Liquidity Facility and SACCO inter-lending, a shared technology platform, access to the Kenya National Payment System, and inter-operability of shared digital channels and branches.
- **De-risking early stage product innovation:** New financial products that serve low-income customers are often commercially unattractive at the outset. The potential returns are uncertain, the cost of failure falls entirely on the innovating entity and the market learning that benefits the whole sector is rarely captured by any single player. This is where FSD Kenya has consistently stepped in.

One of the most recognised successes of this approach over the past twenty years has been FSD Kenya's early support to M-Shwari, a digital savings and loan product launched in 2012 by a Kenyan bank which is now used by tens of millions of customers both in Kenya and the wider East African region; and has been replicated by many other digital credit providers worldwide.⁵ Apart from M-Shwari, FSD Kenya has supported many product innovations over the years, most notably through its Financial Innovation for the Real Economy (FIRE) programme between 2016 and 2021.

² Gates Notes Annual Letter 2015 available [here](#)

³ Drought, digital innovation, and money: How the hunger safety net cash transfer programme has transformed access to financial services in the arid lands of Kenya.

⁴ In 2024, PesaLink recorded 8.41 million transactions worth KShs 1.1 trillion, with an average transaction size of KShs. 134.1K. PesaLink had 70 connected partners in 2024 consisting of banks, SACCOs, telcos, MFIs, and fintechs - <https://pesalink.co.ke/resource-center/pesalink-by-9>

the-numbers

⁵ The Growth of M-Shwari in Kenya—A Market Development Story : Going digital and getting to scale with banking services, November 2016



An external review of FSD Kenya's twenty year performance conducted by BFA global in 2025 concluded that FSD Kenya had played a significant role in Kenya's financial sector transformation. Drawing on stakeholder interviews, previous reviews – including one conducted at the ten-year mark – and an assessment of what Kenya's financial system would look like today without FSD Kenya's involvement, the review found clear evidence of positive additional impact. FSD Kenya was consistently valued by stakeholders for its professionalism, its independence and its flexibility. The strongest influence of additionality was found in research. A finding that reflects both the quality of FSD Kenya's evidence work and its influence on how the financial sector understands itself and the segments it aims to serve.

Beyond access – the unfinished agenda

Expanding access to formal financial services was always a means to an end, not the end itself. As headline inclusion has approached near-universal levels, FSD Kenya has been honest about what the numbers don't show. Less than one in five Kenyan adults meets the definition of being financially healthy – meaning they can manage day-to-day expenses, absorb financial shocks, and pursue economic opportunities. This proportion has not kept pace with rising use of formal financial services, and Kenya is not alone: South Africa, with similarly high formal inclusion rates, faces the same paradox.

The financial system remains quite shallow when measured against key macro indicators - private credit stands at 31% to GDP⁶ - well below South Africa's 90%. Household savings are at 11% compared to India's 30% of GDP. And despite two decades of financial sector growth, 83% of Kenyan employment remains informal⁷. Far more people have accounts. The underlying economic structure that should have helped people achieve upward economic mobility has shifted far less.

These are uncomfortable findings, but naming them is part of the market systems development approach – good facilitation requires a clear-eyed view of what is working and what isn't.

Finance and poverty – what the evidence shows

FSD Kenya's theory of change has always linked rising financial inclusion to poverty reduction – by opening new economic opportunities for poorer households and cushioning them against shocks that could drag them deeper into poverty. Twenty years of evidence offers qualified support for this logic.

⁶ World Bank, 2023

⁷ ILO reported that 83% of Kenyan employment was informal, almost unchanged from 82% in 2015.#

⁸ KNBS Kenya Integrated Household Budget Survey; Kenya Poverty report 2022 available [here](#)

Kenya's official poverty headcount fell from 47% in 2005/6 to 33% by 2019⁸, a significant reduction that coincided with the expansion of digital financial services. Rigorous research has found causal links: a landmark 2016 randomised control trial by Suri and Jack demonstrated that mobile money transfers reduced poverty by providing rapid access to liquidity⁹. An independent evaluation of the Hunger Safety Net Programme – whose payouts FSD Kenya designed and managed – found a measurable reduction in the poverty gap and improved resilience among recipients¹⁰. When Covid-19 hit, the digital payments infrastructure that FSD Kenya helped build allowed emergency cash transfers to reach vulnerable households faster and at lower cost than would otherwise have been possible.

Yet the poverty headcount rose again to 39% by 2022, largely reversing the pre-pandemic gains. The Kenya story cautions against any assumption that financial inclusion alone is sufficient to drive lasting poverty reduction. It is a necessary condition, not a sufficient one. A range of factors including employment, productivity, policy stability among others, shape whether financial access translates into economic wellbeing.

Adapting the market systems approach – the 2016 pivot

By 2016, FSD Kenya could foresee that formal financial inclusion would approach universal levels. The question was no longer how to get more people into the system, but how to make the system work better for those already in it – particularly in the real sectors of the economy where poor Kenyans actually live and work. This led to a strategic pivot: from financial access as the primary goal, to finance as a tool for inclusive growth in health, housing, and agriculture.

The choice of these three sectors was deliberate. Agriculture contributes over a fifth of Kenyan GDP and employs up to 40% of the population. Health and housing each contribute around 5% of GDP, and both have seen significant shifts in government policy in recent years.

The 2025 independent review of FSD Kenya found promising results at the intervention level in all three sectors. However, it also concluded that systemic change has not yet been achieved. The three sectors comprise of large, complex systems with multiple failure points with policy volatility, weak infrastructure, and entrenched informality among them. The market systems lesson FSD Kenya has drawn is not that the pivot was wrong, but that pro-poor change in sectors of this complexity requires a longer time horizon, tighter strategic focus, and the agility to adjust as the policy environment shifts.

⁹ Suri, T. & Jack, W. (2016). The long-run poverty and gender impacts of mobile money. *Science*, Vol. 354, Issue 6317, pp. 1288–1292.

¹⁰ OPM (2018) Evaluation of the Kenya Hunger Safety Net Phase 2 available [here](#)

2026 - 2030

FSD Kenya enters its third decade at an inflection point for Kenya, for the financial sector, and for the market systems approach itself.

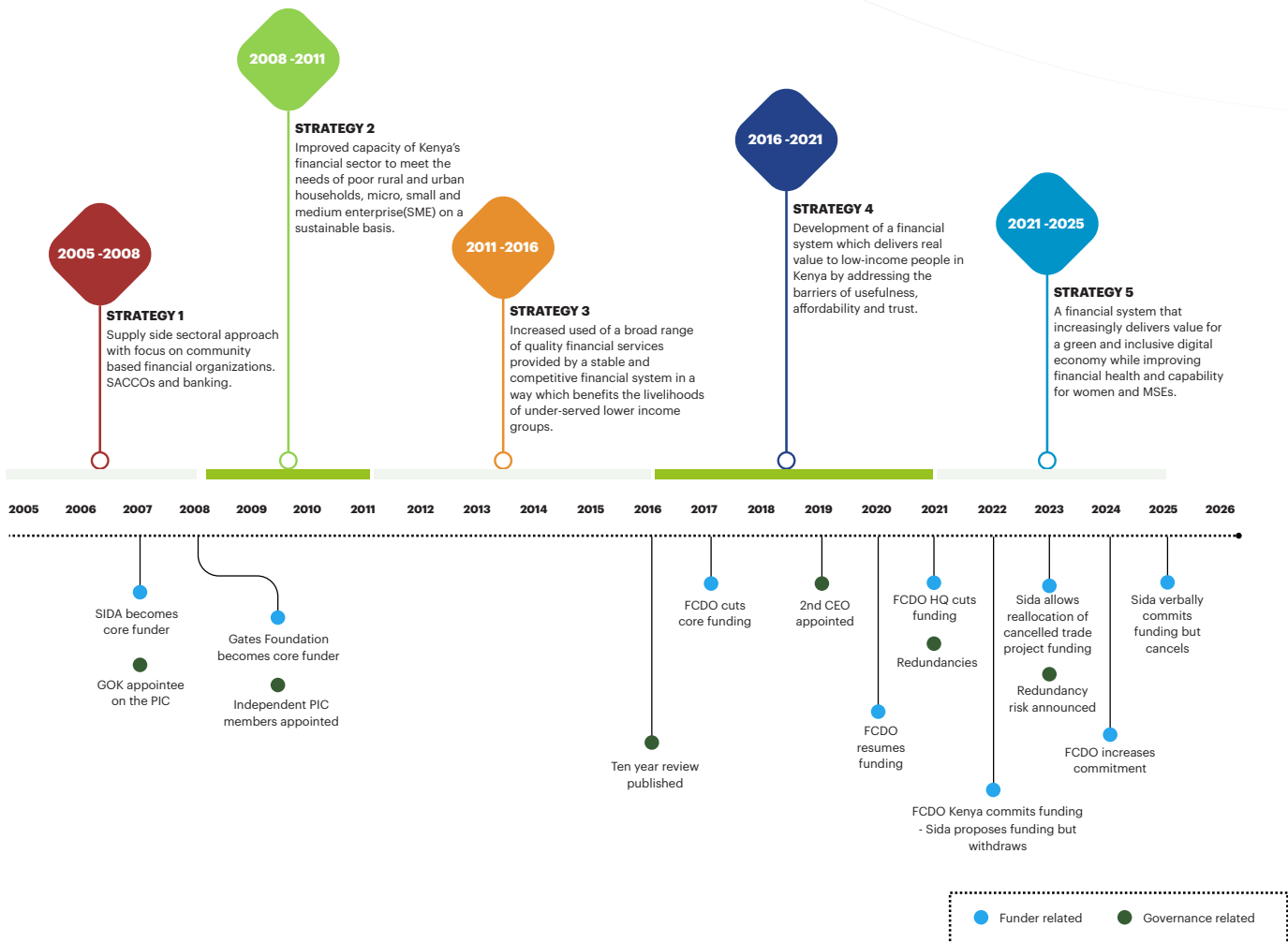
Just as mobile technology created the platform that powered financial inclusion over the past twenty years, new technologies — artificial intelligence, machine learning and tokenisation among them — are emerging as potential drivers of the next wave of change. While the opportunities are real, so are the risks. AI and related technologies could dramatically lower the cost of credit assessment, insurance pricing, and financial advice for low-income customers. They could also entrench existing exclusions if left to develop without deliberate stewardship. The technologies are getting more complex, the market failures less obvious, and the risk of well-intentioned interventions causing harm has grown alongside the scale of the systems involved.

This is precisely the space a market systems facilitator is designed to occupy. FSD Kenya's value has never been in delivering financial services directly — it has been in shaping

the conditions under which markets deliver better outcomes for the poor. That role is, if anything, more necessary now than it was in 2005. The technologies are more complex, the market failures less obvious, and the risk of well-intentioned interventions causing harm has grown alongside the scale of the systems involved.

Kenya's financial system does not need FSD Kenya to function. It will continue to grow and, for the most profitable segments, to thrive. But with FSD Kenya's independent scrutiny and facilitative support, it is more likely to grow inclusively — and Kenya's experience of making digital finance work for the poor is one that other countries are watching and learning from. That demonstration effect is itself a form of systemic change.

[Click here to read the full 20 year review report of FSD Kenya's work](#)



Institutional timeline of FSD Kenya (2005 - 2025)

5

Highlights of FSD Kenya's work from 2025



Insights from **2024 FinAccess sector reports**



[Click here for the 2024 FinAccess financial sector reports](#)



The 2024 FinAccess sector reports offer a nuanced view of Kenya’s financial inclusion landscape, moving beyond access to examine usage, quality, and impact across six sectors: banking, SACCOs, pensions, insurance, deposit insurance, and capital markets.

Across all areas, the findings deliver a consistent message. Although access and participation have expanded, these gains have not translated into equitable, safe, or welfare-enhancing outcomes for many Kenyans. Persistent disparities, weakening financial health, and uneven consumer experiences highlight the need to shift from measuring inclusion by access alone to prioritising quality, resilience, and financial well-being.

In banking, access continues to grow, reaching 52.5% in 2024, up from 44.1% in 2021, supported by branch expansion and increased use of mobile banking. Despite the overall gender gap in formal access narrowing to less than 2 percentage points, women, rural residents and young adults are still markedly under represented among active bank users, and rural youth account for nearly half (46%) of all financially excluded adults.

The report also highlights the role of mobile money (82.3% in 2024) in driving inclusion. Declining financial health, rising debt distress, and reduced trust underscore the need for stronger consumer protection, improved product suitability, and a banking sector more attuned to financial health.



The SACCO sector remains a critical driver of inclusion, with strong membership growth and high engagement in savings and credit (11.7% usage in 2024). SACCOs help households manage daily needs and long-term goals. However, affordability barriers for non-members and emerging digitalisation risks such as downtime and unethical practices point to the need for improved governance, regulation, and consumer-centric digital transformation.

Pension coverage has increased to 11.4% in 2024, largely due to policy reforms, including the NSSF Act (2023). Yet uptake remains low among informal workers, women, and rural populations. Limited awareness and product rigidity continue to constrain retirement savings. Insurance access remains low, at 22.0% in 2024, down from 23.7% in 2021. Challenges with claims and limited understanding emphasise the need for affordable, inclusive products and stronger consumer education.

Deposit insurance continues to bolster confidence in regulated institutions, but public awareness remains limited. Similarly, participation in capital markets has grown modestly but remains concentrated among wealthier, urban individuals.

Taken together, the 2024 FinAccess sector reports point to a clear direction for Kenya's financial sector: progress in expanding access must now be matched by efforts to improve the quality, safety, and effectiveness of financial services. While banking, SACCOs, pensions, insurance, deposit insurance, and capital markets each show important gains, persistent inequalities and mixed consumer experiences highlight the limits of access-driven growth. Strengthening consumer protection, financial literacy, enhancing product suitability, and ensuring that services support resilience and financial well-being is critical.

FSD Kenya's ongoing engagement with the Central Bank of Kenya on the implementation of the National Financial Inclusion Strategy (NFIS) provides an opportunity to embed these priorities into sector-wide reforms. By placing financial health, financial literacy, consumer outcomes, and quality at the centre of financial sector development, Kenya can ensure that its financial system not only reaches more people but also delivers meaningful, welfare-enhancing impact.





CIS ValiData: Fixing Kenya’s credit information sharing puzzle



Financial services sector leaders at the launch of launch of Validata. [Click here](#)



For low-income households especially women and small enterprises across Kenya, access to appropriate and affordable credit remains out of reach.

The FinAccess 2021 survey revealed a stark reality: while most households borrow, the majority, disproportionately represented by women, rely on informal lenders, often at high cost. For these borrowers, the absence of reliable data trails contributes to their exclusion from formal credit markets and higher interest rates, particularly for those whose risk profiles are not well understood.

For over two decades, FSD Kenya has recognised that robust credit market infrastructure, and particularly effective credit information sharing (CIS), is essential to shifting this landscape. From early investments in legal reform and institutional partnerships, FSD Kenya has over the years has helped lay the foundation for a responsible and inclusive credit ecosystem.

As credit provided by non-bank providers exploded

across Kenya over the last decade, it became clear that the credit information sharing mechanism needed reforming. A persistent problem stood out under this new credit landscape. Credit providers, ranging from large banks to small digital lenders, struggled to comply with the credit information submission process. Smaller providers, many serving women and microenterprises, often submitted data to only one CRB, leaving large parts of the market with an incomplete picture of their customers’ credit histories. The gaps widened exclusion and distorted risk assessments across the sector.

In response, the Central Bank of Kenya in 2017 constituted a Technical Working Group (TWG) to identify candidate proposals aimed at reforming and streamlining Kenya’s Credit Information Sharing mechanism. The TWG was tasked with revising the data submission template, standardising CRB data validation rules, recommending a unified model for validating and submitting credit information, and harmonising how credit scores are interpreted across the three bureaus. validation rules, recommending a unified model for validating and submitting credit information, and harmonising how credit scores are interpreted across the three bureaus.



CIS Kenya, with the support of FSD Kenya, made contributions towards the achievement of objectives set out by the TWG. In 2019, CIS Kenya took up the implementation of the third objective and developed a data validation and submission tool, popularly known as the CIS ValiData. FSD Kenya supported this initiative through the provision of technical assistance, capacity support and continued facilitation of consultations between the relevant stakeholders. In 2020, new regulations for credit reporting issued by CBK formally recognised the CIS ValiData as a mechanism for validating and submitting credit information - an important policy milestone influenced by this work. The Central Bank of Kenya approved the rollout of the CIS ValiData on 5 August 2025, followed by a public launch in September, marking a major milestone for Kenya's credit market infrastructure.

The CIS ValiData embeds the industry agreed validation rules, checking both format and logic before any data is transmitted. It generates precise error logs that credit providers can correct instantly, and crucially, it blocks submissions that fall below the industry's quality thresholds. With API based simultaneous submission to all three CRBs, the CIS ValiData eliminates the inconsistencies that

previously arose when providers submitted data to different bureaus at different times. This innovation does more than streamline compliance. It democratises participation in the CIS ecosystem, enabling smaller and informal lenders, who are major financiers of women and nano-enterprises, to participate in the CIS mechanism. As they begin submitting high quality data across all CRBs, borrowers who were once "invisible" to the credit market can finally build formal credit histories.

Looking ahead, the CIS ValiData is poised to evolve alongside Kenya's digital economy. As the country explores open finance frameworks and new models of data sharing, the tool will play an increasingly important role in integrating diverse data sources, strengthening data governance, and supporting consumer centric innovations.

For FSD Kenya, the CIS ValiData is a testament to the power of long term partnership, systems thinking, and targeted investment in financial market infrastructure. By supporting its development and rollout, FSD Kenya has helped lay the foundation for a future where accurate, credible data drives a more inclusive and dynamic credit market.



The rise of shared services for Savings and Credit Co-operative Organisations (SACCOs) in Kenya



The SACCO industry continues to play an important role in the Kenyan economy through mobilisation of savings for national development and provision of credit facilities to many household economies. By the end of 2024, there were 355 Regulated Saccos made up of 177 Deposit Taking Saccos (DT-Saccos) and 178 Non-Withdrawable Deposit Taking Saccos (NWDT-Saccos).

The financial performance of regulated SACCOs measured and monitored on the basis of total assets, gross loans and total deposits, all recorded significant growth in 2024 with the total assets growing at an impressive 10.72 percent which was the highest recorded increase over the last five years, to cross the trillion mark for the first time and reach KShs 1.076 trillion.

However, SACCOs face various challenges in responding to a highly competitive financial sector: high technology costs and fragmented systems; liquidity and investment constraints; limited access to national payment infrastructure; and rising compliance and governance demands.

To address these issues, the SACCO regulator, the Sacco Societies Regulatory Authority (SASRA), spearheaded the development of a shared services model. This concept has been evidenced in several markets around the world to help address the dilemma created by the costs associated with compliance, competition, and efficiency of Saccos. The legal entity established to handle this, Sacco Central Kenya (SCK), was established in 2018 as a member-owned secondary cooperative. SCK's mandate is to develop a unifying platform that enables SACCOs to pool resources, expertise, and innovation



In 2024, with support from FSD Kenya, SCK developed a strategic plan and implementation roadmap to operationalize its vision. The strategic plan identified 3 key areas to be addressed in the first phase of operationalisation: (i) a shared core banking system, (ii) inter-SACCO payments and direct participation in the National Payments System (NPS) and (iii) inter-SACCO lending services. Steady progress has been made so far. An FSD-seconded Project Director is in place to lead in the operationalisation of SCK as well as manage all project implementation activities. A small support staff has also been onboarded by SCK to drive membership and provide project administration support. In addition, the World Bank has provided three consultants to develop the requirements, design the architecture, and support the procurement and implementation of the pilot use cases. The year ended with a series of regional workshops around the country that were attended by SACCOs. In the workshops, the vision of SCK was recast and the implementation roadmap was shared.

The planned milestones for 2026 are to complete the detailed requirements and technical architecture then followed by the implementation and rollout of the pilot use cases. The project is large and complex due to the number of entities SCK is expected to serve, the various states of digitisation of the various SACCOs. All these issues expose various risks and challenges that need to be managed closely over the multi-year project.

Expected outcomes on the SACCO shared services platform include more holistic financial services (payments, lending, savings), stronger liquidity support, and more affordable digital services. Long term expected impact includes more inclusivity of women, youth and SMEs, better financial health of SACCO members that have a high percentage of farmers and low-income households, and long-term sustainability of SACCOs.





Nanyuki bulk water project: A county green preparation facility flagship driving jobs, growth and green capital markets



The Nanyuki Bulk Water Project is a flagship investment under [FSD Kenya's County Green Preparation Facility](#), demonstrating how sustained project preparation can unlock climate-resilient infrastructure with strong economic, inclusion, gender and capital-market impacts.

The project was originally conceptualised in 2017, when Atkins undertook the initial feasibility studies and environmental and social impact assessment, on behalf of Nanyuki Water and Sanitation Company (NAWASCO) establishing the technical and safeguards foundation for the investment.

Building on this groundwork, the project is now being advanced under the County Green Preparation Facility, launched in 2023, with updated technical, environmental and financial work to reflect current costs, regulatory requirements and climate risk considerations. Under the Facility, Howard Humphreys is supporting the updating of technical studies and environmental and social

documentation, while PwC is acting as the technical and transaction partner, leading project structuring, financial modelling and investment readiness. This progression illustrates the County Green Preparation Facility's role in taking long-standing county priorities from concept to bankability.

Located in Nanyuki and serving the wider Laikipia County, the project addresses a persistent structural water deficit that has constrained household welfare, enterprise growth and service delivery. The bulk water system is designed to supply reliable water to approximately 23,000 households, alongside public institutions and an estimated 3,000-5,000 micro, small and medium enterprises. Key beneficiary sectors include hospitality and tourism, irrigated agriculture and livestock, agri-processing, food and beverage manufacturing, health and education facilities, and emerging urban real estate developments supporting Nanyuki's rapid population growth.



The employment impact is material. During construction, the project is expected to generate 1,300–1,500 direct and indirect jobs across civil works, materials supply, logistics and professional services. Over the longer term, improved water reliability will support thousands of sustained jobs across tourism, agriculture, light manufacturing and services by reducing operational risk and enabling business expansion. Reliable bulk water supply also unlocks new residential developments, supporting planned urban growth as the population is projected to exceed 300,000 residents by 2040.

From a financial inclusion and financial health perspective, the project reduces reliance on informal and high-cost water sources, lowering household expenditure volatility and improving budgeting and payment discipline. For enterprises and farmers, predictable water supply stabilises production and revenues, improving cash flows and creditworthiness. At the utility level, the project is expected to drive 30–40 percent revenue growth for NAWASCO, alongside reductions in non-revenue water, strengthening operational sustainability and balance-sheet resilience.

With total capital requirements estimated at over KES 5 billion, the project also creates a pathway for innovative local

capital-market solutions. As NAWASCO’s financial position strengthens, the investment opens the potential for the utility to issue a green bond, leveraging strong market interest in tax-exempt green bonds in Kenya. Such an issuance would crowd in domestic institutional capital, lower the cost of finance and lengthen tenors for climate-aligned infrastructure. This directly complements FSD Kenya’s work with the NSE Sustainability Centre of Excellence to build a credible sustainability segment and deepen Kenya’s green capital markets.

Looking ahead to 2026, the project will move into the final phase of preparation. This will include completing the updated feasibility study, full Environmental and Social Impact Assessment (ESIA), investment memorandum and financial model, positioning the project for financial close. These steps are essential to securing approvals, engaging investors and lenders, and mobilising the green finance required to commence development. By progressing decisively from preparation to financing, the Nanyuki Bulk Water Project will transition from a bankable opportunity into an investable asset, enabling construction to begin and delivering long-term water security, inclusive growth and climate resilience for Laikipia County.

FSD Kenya’s work on green finance aims to stimulate interest and action in both ‘greening finance’ (mainstreaming climate and environment factors as a financial and strategic imperative in the financial sector) and ‘financing green’ (mobilising private and public finance for clean and resilient growth). [Click here to access more stories, blogs and publications related to FSD Kenya’s green finance work](#)



A solution for credit exclusion for small-scale producers and MSEs in Kenya: A focus on alternative data

Kenya continues to face a structural problem that impedes how the financial sector interacts its private sector. On one hand, the financial services sector is very formal and on the other, a highly informal private sector. An end result, undercapitalisation for the sector or higher NPLs for the banks. A significant contributing factor to this is a never-ending struggle by the financial sector to sufficiently distinguish business and personal expenses that impedes its identification of opportunities for growth and expansion. This challenge is also compounded by data ambiguities and incompleteness for these segments that do not allow for robust interpretation.

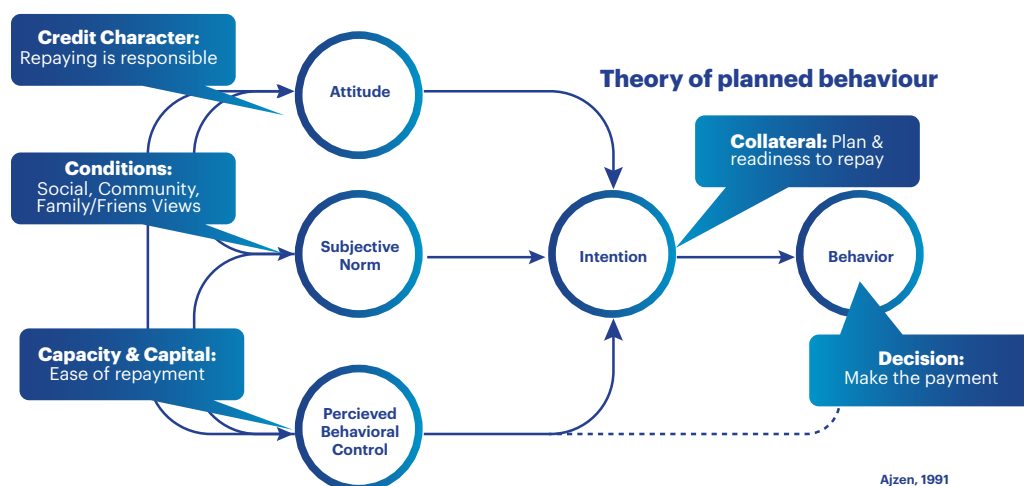
Consequently, credit risk and underwriting methods have evolved to form a complex yet fragile ecosystem leveraging simple financial behavioral data and statistical methods, with these segments' peripheral to that. Innovation, within these bounds, also took an all too familiar path, strengthening these systems for conventional consumer behaviors, simultaneously reinforcing the exclusion of segments with atypical financial behavioral usage patterns. Small scale producers and agriculture MSEs 'invincibles' fall here – with atypical financial behavioural patterns and ambiguous data. Critically, these exclusion effects have now also been embedded within the regulatory and orchestration dimensions, beyond data sources and analytic methods. These systems minimally use alternative data and could benefit from an expanded scope geared towards collecting such data. In a credit access ecosystem deeply entrenched in algorithms that use only conventional, well-orchestrated asset and financial relationship behavioural data to configure the great majority of lending, what options do we have to change this?

A useful and likely successful path towards figuring out a solution for credit exclusion is to approach the following questions in parallel:

- a. **Minimum Viable data:** Are there statistically relevant and unbiased data that can immediately inform the unique borrower's likelihood to repay a financial obligation? What is the minimum viable data to support a robust credit and underwriting framework?
- b. **Orchestration:** What technology infrastructure is necessary to incorporate and ingest a new data source, accurately assess credit risk that could work within the existing ecosystem or iteratively be improved upon?
- c. **Policy and financial market infrastructure:** What policy, regulatory and governance framework or amendments should prioritised to facilitate data access and ensure fair lending practices are maintained?

This path should allow for establishment of a validated process (by industry standards) for qualifying and integrating alternative data into risk processes for credit, underwriting, and oversight. A robust process should allow for Kenya's financial sector players (FSPs) to offer credit at low cost by figuring out a price point that's affordable for small scale producers, women and MSEs with improved originations.

1. Minimum viable data (MVD)





The goal here is that through an understanding of the borrower, FSPs can sufficiently identify atypical financial and non-financial behavioral data patterns that can be leveraged for credit analytics and underwriting. The diagram below explains this further.

This is the first step requisite for effective identification and incorporation of new data for excluded segments. From the dimension of the 5Cs of credit framework, [cash flow data has already demonstrated its predictive insight across numerous markets and economies](#), and if these data demonstrate that, then it is acceptable. What remains is an understanding of the tradeoffs between predictive insight, coverage, data stability, accessibility as this is likely to affect risk assessment scores each with significant departures on credit files. [CIS ValiData tool](#) might be useful where these segments enjoy self-reporting mechanisms and when new attributes of CRB data are included in scorecards. Cashflow data sitting within bank accounts and/or digital wallets (e.g. Pochi la biashara), merchant / business pay bill / till number etc can answer this question. Other data that can be used to determine available cash can be approximated based on 'agri-income estimates. Data here can be varied and might include soil and crop health indices, pest and weed assessments, yield forecasting leveraging etc. Numerous lending and research ecosystems have evaluated and proven the value of these data sources. Importantly, while there can be a wealth of insight into this data, the core insight is a summary of available cash calculation derived by the result of total income less total expenses. This is the 'minimum viable data' (MVD).

Helpfully, modeling innovations such as machine learning techniques allow substantial predictive insight to be gleaned from such data and even sparser datasets. Score predictive performance uplift has been observed to improve by as much as 10-15%. Furthermore, explainability and transparency need can be readily re-fitted within the context of a machine learning approach. Leveraging the MVD along with these new analytic techniques can deliver highly effective credit risk ranking tools. Consequently, the true question and work to be done must be to solve the issue of data maturity and accessibility. For maturity, a scalable, data collection, and validation process for alternative data is preferred. There is also an opportunity for financial sector regulators to work with CRBs and financial service providers and put in place measures that allow for expanded coverage to collect alternative data. This will allow for full scale integration into production-level credit risk assessments.

2. Orchestration – platform as a service?

Technology has evolved at a rapid pace, beneficially in the arena of mobile platforms and infrastructure. These mobile/app-based solutions provide simple, sustainable, cost-efficient engagement for data available from a FI population. Orchestration via consumer permissioned data access using mobile technology removes the need for large-scale technology infrastructure that is costly to develop and even more costly to maintain. As with any development, this solution will still require solutions for identity and fraud. Leveraging biometric and AI techniques can contribute to solving these concerns. Further benefit is that the platform offers substantial flexibility, at efficient development cost, for ingesting further data sources as they become beneficial.

3. Policy and financial markets infrastructure - consumer permission data

Accessing cash flow data using data aggregators via consumer permission has become standard functionality in many markets. Regulatory guidance should be fully defined and established to ensure the consumer comprehends and truly permits data access. This regulatory infrastructure will also serve incremental data sources as they are integrated within the expanding ecosystem. While Kenya continues to make tremendous stride, still, any use of non-CRB data by banks is likely to trigger regulatory scrutiny that delays deployment of resultant solutions. Also, as with machine learning techniques, inadequate experience with these approaches by regulators is likely to be flagged for review, and this often results in delays. Additionally, the need to ensure credit risk analytics continue to enable safe and sound lending practices is paramount for robust model governance. Consideration must especially be given to consumer permission data inclusion such as adverse data selection, disparate impact and treatment concerns.

Way forward

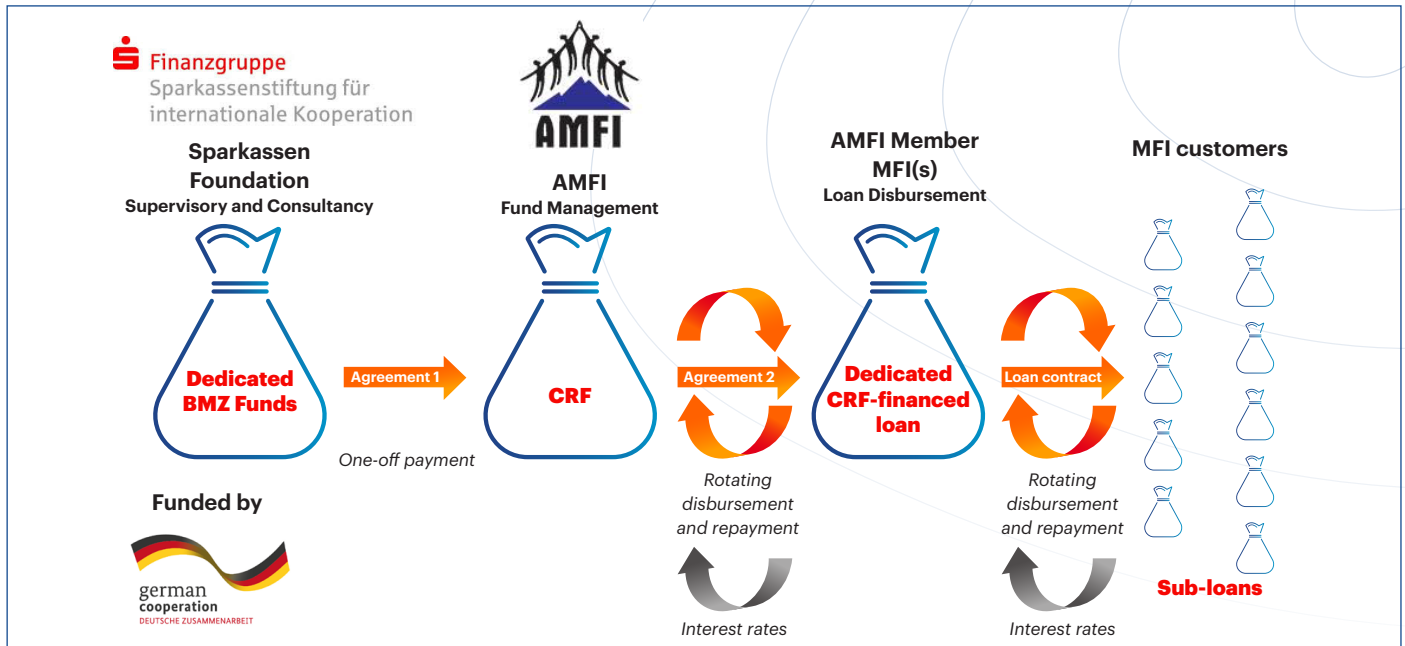
So, can alternative data resolve exclusion? The answer is YES. With expanded coverage, improved and equal access to credit information to include alternative data including access, orchestration and regulatory foresight, FSPs will be better positioned to extend credit to excluded segments at price points that are affordable and scale at a low cost.

FSD Kenya's work on agriculture and processing finance aims to accelerate development of value-adding finance to catalyse increased production, productivity and profitability of female smallholder farmers, agricultural traders, and processors.

[Click here to access more stories, blogs and publications related to FSD Kenya's agriculture and processing finance work](#)



Small loans, big flows: Inside AMFI’s water and sanitation rotational credit fund model for water access



In 2025, FSD Kenya seeded a water and sanitation rotational credit fund with the Association of Microfinance Institutions (AMFI). The fund provides microfinance institutions (MFIs) who have an existing well performing Water, Sanitation, and Hygiene (WASH) portfolio but are capital constrained, with small loans of KShs 4-6 million for on lending.

The WASH rotational fund structure built on 2 existing initiatives: WASH product development with microfinance institutions by the Association of Microfinance Institutions (AMFI) and water.org; and a Covid-19 credit rotational (CRF) fund seeded by German Sparkassenstiftung (DISK) in 2020.

The Association of Microfinance Institutions manages the credit rotational (CRF) fund with oversight from a committee drawn from board members and industry practitioners.

FSD Kenya provided the funds at 0% interest to AMFI, which AMFI then lends on at 10.5% to create a margin for sustainability for its operations. Microfinance institutions are currently lending at their prevailing interest rates

so as not to cannibalise their current lending book (as the credit facility is a small percentage of its overall loan book). The credit facility between AMFI and the MFIs is a 24 month amortising facility which includes a two month grace period. From recycling their loan facilities with their borrowers 1-2 times in the 24 months, each MFI will have expanded their capital base with which to continue on-lending, even after repaying AMFI in full.

In approximately seven months of 2025, the three selected MFIs on-lent KShs 8.9 million to 317 households (47% female: 53% male). The loan sizes range from KShs 8,060 to KShs 85,000 with the average loan size of KShs 27,500. The typical loan product is a 12 month water tank loan to a household which is the greatest need in peri-urban and rural areas. The most common water tank size financed is 3,000 – 5,000 litres. The borrowers are typically in micro and small businesses from farming, posho mills, tailors, retailers etc and the tanks often serve both household’s and the microbusiness needs.

Only one borrower had a large loan of KShs 500,000 which was used to provide water to rental units he had built. Portfolio at Risk (PAR) across the three MFIs is 1% at 30 days. One MFI has a weekly repayment schedule while 2 use monthly repayments. The three beneficiary MFIs are repaying their monthly instalments to AMFI in a timely manner.

The bigger vision is to collect the data of the borrower and MFI performance and attract a wholesale lender, with an impact funder, to provide blended local currency financing for this deep demand of small loans from households who have an ability to pay. The biggest funding requirement seen in the market from MFIs is between KShs 20 million to 50 million, whereas most wholesale lenders tickets start at \$ 1million placing currency risk on the MFI. The technical assistance provided by water.org to borrowers to ensure the water tanks are well maintained over long durations is also important, as a borrower could easily lose the asset if the tank cracked due to poor placement or extreme heat.



FSD Kenya's work on affordable housing finance aims to facilitate the creation of appropriate financial solutions that will enable improved access to decent and affordable shelter with associated infrastructure/services.

[Click here to access more stories, blogs and publications related to FSD Kenya's affordable housing finance work.](#)





Healthcare financial diaries: Understanding Kenyans' needs, health seeking and financing behaviour



Despite progress in lowering user fees, significant financial barriers to healthcare persist in Kenya. According to the [Kenya Household & Health Expenditure and Utilization Survey, KHHEUS, 2018](#), out-of-pocket expenses surged by 90% between 2013 and 2018. Furthermore, the [2024 FinAccess Household Survey report](#) shows that 44% of Kenyans were going without medicine due to cost. While this was a notable improvement from 54% during Covid-19, it is alarming.

In order to understand Kenyan households' health needs and their healthcare seeking and financing behaviour, FSD Kenya in collaboration with Ekko Insights and Georgetown University is undertaking [a healthcare financial diaries study](#). The study entails sampling and collecting data fortnightly from approximately 300 households over a period of one year.

To ensure these insights translate into action, an advisory group comprising of key players in the health sector and finance space was identified and is guiding the design and implementation of the study. Their expertise ensures the research remains relevant for future health policy and value adding health financial solutions.

The study spans six field sites across eight counties (Bungoma, Homa Bay, Isiolo, Kwale, Migori, Murang'a, Nairobi and Trans Nzoia), representing a diverse cross-section of Kenya (70% rural and 30% urban), to capture the country's varied geographical and socio-economic landscapes, with a deliberate focus on key populations of policy interest such as expectant mothers and individuals managing chronic health conditions.



The data collection for the study started in October 2025 and is set to conclude in November 2026. So far, 2,860 interviews have been conducted with the 323 participant households and about 140,000 cash flows generated.

Some preliminary insights are already emerging:

- **The digital shift:** There is a notable [uptick in digital payment usage](#) compared to the [2012/2013 financial diaries study](#). This change is largely attributed to the waiver of fees on transactions below KShs 100 which was effected in 2016.
- **Medication stock-outs:** Public dispensaries frequently suffer from medication stock-outs. As a result, communities rely almost universally on private pharmacies. However, this shift brings new risks, as some pharmacies are understaffed or provide inconsistent quality of care. Use of alternative medicines is also common.
- **Transportation barrier:** The growing proximity of healthcare facilities has not necessarily translated to better access to care. Access to care for chronic diseases in local dispensaries remains limited. Patients thus need to travel to higher level facilities which can be costly financially and timewise and a barrier to many.

FSD Kenya will continually share the preliminary insights through blogs and will actively engage through curated stakeholder events. A comprehensive data analysis, synthesis and communication phase is planned for 2027. This will include providing support to key actors in translating the insights into health policy and financial solutions with an aim of improving Kenyans access to quality healthcare.

FSD Kenya's work on health finance aims to facilitate and advocating for value adding finance that enables improved health and financial resilience to health shocks for women and households.

[Click here to access more stories, blogs and publications related to FSD Kenya's health finance work.](#)



Supply-side data market infrastructure: Catalysing data-driven innovation through the WE Finance Code Kenya Chapter



Kenya’s inclusive finance story has long been powered by FinAccess demand-side surveys. What is missing is an equally coherent supply-side lens; standardised, shareable data showing how providers actually serve different customer groups and where the gaps persist.

The [WE \(Women Entrepreneurs\) Finance Code](#) presents the opportunity to fill that structural gap with a practical blueprint for standardising, sharing, and using provider data to design solutions that better meet the needs of underserved segments—especially women-led micro and small enterprises.

The Women Entrepreneurs Finance Code (the WE Finance Code or, simply, the Code) is a global initiative coordinated by We-Fi secretariat (housed at the World Bank). It was launched in October 2023 at the World Bank–International Monetary Fund (IMF) annual meetings and commits Women owned/led Micro and Small Enterprises (WMSME) ecosystem actors to act across three pillars: leadership, data/reporting, and concrete measures—with annual monitoring to ensure accountability and learning.



In Kenya, the Code is being embedded within the [National Financial Inclusion Strategy \(NFIS\) 2025–2028](#) aligning commitments, data standards, and market incentives to unlock more financing for women and their enterprises.

Progress has been ecosystem-driven, bringing national leadership, technical expertise, and market actors into one coordinated process. In October 2025, the Central Bank of Kenya (CBK) formally assumed the role of National Champion of the [WE Finance Code, Kenya Chapter](#) – providing the institutional anchor to embed the initiative within Kenya’s broader financial-sector architecture and the NFIS. Early groundwork led by FSD Kenya funded by the Argidius Foundation and coordination support from [HOPAWI management consulting limited](#), convened sector stakeholders and aligned priorities, while the technical foundation builds on gender-disaggregated WMSME dashboards funded by the Gates Foundations and being co-created with Kenya Bankers Association (KBA), Metropol CRB, AMFI, and SASRA. (These dashboards expand the kind of sex-disaggregated supply-side insights the Code seeks globally.) See the KBA dashboard [here](#)

The WE Finance Code Kenya Chapter launched on 4 December 2025, alongside [Vison 2030 Fourth Medium Term Plan for the financial sector \(MTP IV\)](#) and the NFIS, with the Code embedded under Pillar 6 of the NFIS. Thirty institutions have already signed, with more than thirty considering formal commitments. Implementation is led jointly by CBK and FSD Kenya through the NFIS Secretariat, working via

four Code working groups: Governance & Advocacy, Data & Measurement, Communications, and Product Design & Capacity Building. Over the past year, champions participated in several forums including a global peer-learning series curated by the [Financial Alliance for Women \(FAW\)](#), on building the business case for serving WMSMEs—outcomes and lessons from these gatherings continue to inform the rollout of the WE Finance Code Kenya Chapter.

As Kenya domesticates the Code, the task is to balance ambition with institutional realities: align incentives across financial and non-financial players; close data-readiness gaps; standardise reporting to produce a national dashboard; track signatory commitments; and mobilise resources to sustain delivery. In 2026, we will finalise and operationalise the WE Finance Code – Kenya Chapter roadmap, moving from commitments to execution as coalition members share lessons and leverage emerging opportunities. The first implementation phase runs for three years, aligned to the NFIS period.

WE Finance Code Kenya Chapter’s aim is not only to improve how the financial sector serves women-led MSMEs, but also to demonstrate how a robust, inclusive supply-side data infrastructure can help Kenyans meet every day needs, build resilience, and invest confidently in their futures. By anchoring leadership, data, and accountable action in a national framework, Kenya can turn better information into better solutions, policies, and outcomes - initially for WMSMEs, and ultimately as an exemplar other vulnerable segments can adapt.



Gender and women’s economic empowerment (WEE) is a key strategic driver in FSD Kenya’s work and is be integrated across all projects and interventions. This way, projects provide opportunities to yield stronger impacts for women.

[Click here for stories and content on FSD Kenya’s work on gender & women’s economic empowerment](#)



Sustainable Urban Economic Development (SUED): From urban planning to real opportunities for jobs and better livelihoods

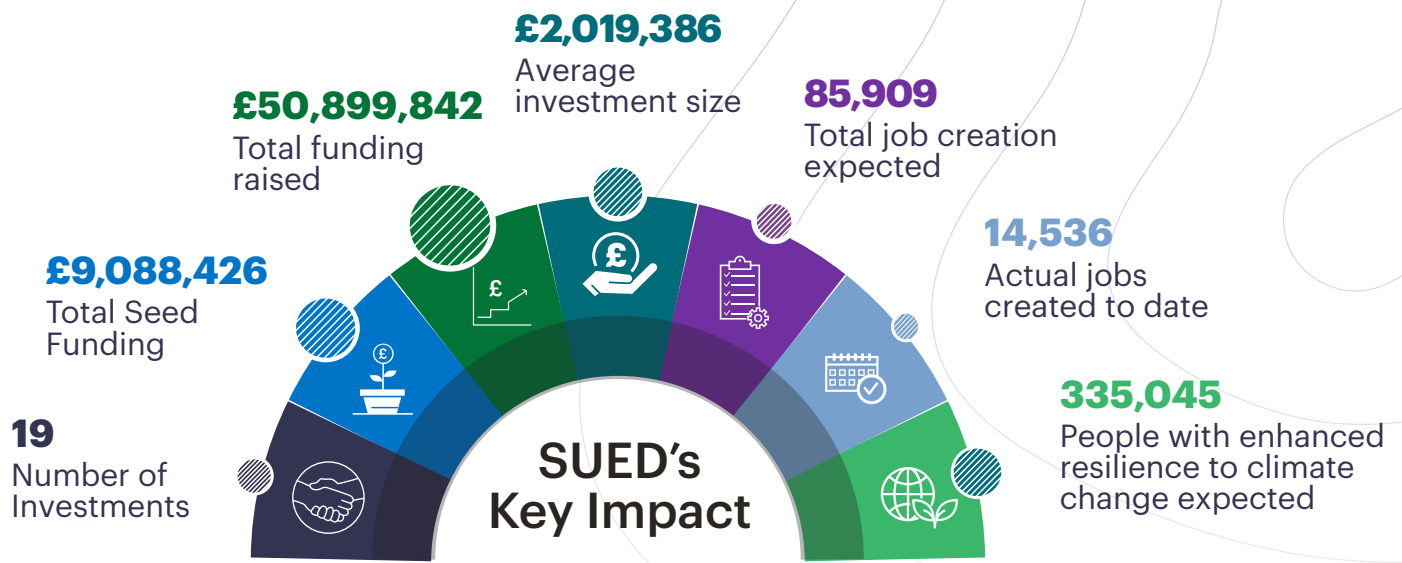


Kenya is rapidly urbanising and the risks of climate change have become a daily reality. The UK Government's Foreign, Commonwealth & Development Office (FCDO) funded Sustainable Urban Economic Development (SUED) Programme aims to build urban resilience in intermediary cities/municipalities in Kenya by creating the right conditions for inclusive and sustainable growth. FSD Kenya started managing the SUED programme mid 2025.

SUED's approach included an urban economic planning (UEP) phase where municipalities were supported to undertake economic diagnostics, sector prioritisation, and feasibility analysis. This was followed by project screening and selection, pre-feasibility studies, market

sounding and identification of investors leading to investment closes. This process was based on detailed financial modelling, risk analysis, and application of environmental and social safeguards. The programme uses seed funding to leverage private and public financing to accelerate investment into these projects.

To date, £50,899,842 in total investments has been mobilised by investors towards 19 investments owing to £9,088,426 in seed funding that has been committed by the programme. These investments target to create 85,909 new jobs in 8 target municipalities, with 14,536 jobs created to date. In addition to managing the existing portfolio, FSD Kenya played a key role in on boarding three of these investments worth £4.1 million through £1 million in seed funding.



The pathway from urban economic planning to real investments and jobs requires sustained coordination between county authorities, investors, and national agencies. Multiple challenges including complex land processes, inadequate infrastructure, and layered regulatory approvals demand active programme support to ensure success. A key lesson has been the importance of sequencing to ensure that feasibility work, stakeholder buy-in, and communications are aligned to maintain investor confidence and political ownership. There is also a need to develop local capacity to sustain the investments including small holder support and supply aggregation, quality assurance, access to markets and investment attraction for growth.

Looking ahead, SUED will build on its experience to accelerate and scale new investments. Emerging opportunities lie in climate-smart agro-processing, green infrastructure, and circular economy solutions—areas increasingly aligned with both investor appetite and Kenya’s climate commitments. FSD Kenya plans to hold investor-investee forums to showcase the investment opportunities surfaced by the SUED programme to potential financiers and peer-to-peer forums to catalyse cross-learning between the various county governments and investors.





6

Blogs and publications

#	Title	Authors	Date
1.	FinAccess 2024 Spotlight #1: Who is really winning in Kenya’s “financial inclusion race”?	Tamara Cook and Sharon Juma	January 16th
2.	Navigating risk and innovation: A case study on developing a comprehensive Tenant Purchase Scheme Credit Policy for the Kenyan housing market	AIS Capital Advisors	January 16th
3.	Insights from FinAccess 2024 - Kisumu County	Tamara Cook	January 23rd
4.	Financial inclusion and health: A balancing act for Kenya’s future	Amrik Heyer	January 23rd
5.	Kenya Alternative Building Materials and Technologies (ABMTs) Handbook	Seeta Shah and Kenya Green Building Society (KGBS)	January 23rd
6.	Decoding Kenya’s green finance future	Mugwe Manga	February 13th
7.	How digital technology is helping to close the gender gap in financial inclusion in Kenya	Amrik Heyer, Lukania Geraldine Makunda, Wanza Mbole Namboya and Nancy Atello	March 6th
8.	FinAccess Spotlight #2 – The Shape of the FinAccess 2024 Gender Gap	Tamara Cook and Sharon Juma	March 6th
9.	How do young Kenyan women’s choices influence their financial journeys?	Amrik Heyer, Claire Hayworth and Jessica Breier	March 11th
10.	Housing chronicles in Huruma Informal Settlement Upgrading Programme: Lessons in cost tracking and scaling social housing	Centre for Affordable Housing Finance in Africa (CAHF)	March 13th
11.	Advancing inclusive finance: Understanding youth exclusion through a gender lens – Insights from the 2024 FinAccess Household Survey	Lukania Geraldine Makunda and Sharon Juma	March 19th
12.	Unlocking cross-border remittances: A new chapter for SACCOs in Kenya	Lukania Geraldine Makunda, Juliet Mburu, Judyth Engels, Muriuki Muriungi, David Berno and Sarah Hugo	April 16th
13.	Piloting a warehouse receipt finance solution for smallholders in Kenya	Jared Ochieng, Robert Homans, Quinta Onditi and Patricia Wena	April 17th
14.	Greening financial reporting: Kenya Bankers Association’s leap towards IFRS S1 and S2 implementation	Michael Njeru and Roselyne Njino	April 23
15.	FinAccess Spotlight #3: When falling sick costs more than just your health	Sharon Juma and Nancy Atello	April 25th
16.	Why aren’t Kenyans investing in their future? Insights from FinAccess 2024 and reflections on building a financially healthier nation	Lukania Geraldine Makunda	April 25th
17.	Designing for women through data: Insights from the CIS Kenya International Women’s Day 2025 Webinar	Lukania Geraldine Makunda	April 30th
18.	Boresha Boma: Piloting a financial product for climate-smart home improvements targeting rural communities in Kenya	Seeta Shah	April 30th
19.	Unlocking transition finance: Making a case for agri-enterprises in Kenya’s agriculture sector.	Jared Ochieng	April 30th
20.	Towards a shared vision for open finance in Kenya	Francis Gwer	April 30th
21.	The future of SACCOs and supporting low-income households	Juliet Mburu	April 30th
22.	Green finance as a catalyst for sustainable development at county level	Sarah Makena	April 30th,



#	Title	Authors	Date
23.	Improving maternal and neonatal health outcomes through a value-based care approach.	Wanza Mbole Namboya and Nancy Atello	April 30th
24.	FinAccess 2024: Opportunities to shape insights for an inclusive future	Lukania Geraldine Makunda	April 30th
25.	The 2024 FinAccess Household Survey: Is Kenya's financial sector reaching its limits?	Amrik Heyer, Lukania Geraldine Makunda and Sharon Juma	May 6th
26.	Finance for what? Reflections on food systems through the lens of financial health	Amrik Heyer	May 22nd
27.	Traction and reversed gains: Financing smallholder dairy farmers through a tech – based real economy innovator.	Wanjiku Karanja and Jared Ochieng	May 27th
28.	Data for green finance mobilisation	Mugwe Manga and Michael Njeru	May 27th
29.	Can finance catalyse resilient food systems?	James Kashangaki	May 28th
30.	Shaping more resilient housing strategies: The Kenya affordable housing green building guidelines	Garret Gantner and Bantu Studio Design and Research	June 4th
31.	Unlocking the power of remittances for women entrepreneurs in Kenya	Lukania Geraldine Makunda and Juliet Mburu	June 4th
32.	FinAccess Spotlight #4: Farmer livelihoods are on the decline: do youth hold the key to a new agricultural future?	Amrik Heyer, Sharon Juma and Jared Ochieng	July 8th
33.	Rethinking resilience – Financing Kenya's food systems in a fractured global economy	Jared Ochieng, Sarah Makena and Wanjiku Karanja	July 17th
34.	Can alternative health financing approaches improve Kenya's maternal and neonatal health outcomes?	Wanza Mbole Namboya, Nancy Atello, Jolene Wachira and Liza Maru	July 29th
35.	Lessons from the county green investment facility	Sarah Makena, Jared Ochieng, Jotham Wadongo and Stella Musyawa	August 14th
36.	From cash to clicks: How merchant payments have shifted between 2021 and 2024	Sharon Juma and Tamara Cook	August 18th
37.	Will the new social health insurance policy deliver universal health coverage for Kenya?	Wanza Mbole Namboya, Nancy Atello, Amrik Heyer and Tabitha Mwangi	August 18th
38.	Leveraging carbon markets to unlock finance for Kenya and Africa	Mugwe Manga	September 1st
39.	Leveraging carbon markets to unlock finance for Kenya and Africa	Mugwe Manga	September 1st
40.	Designing for resilience: Rethinking digital credit for financial health	Tamara Cook	September 17th
41.	Unlocking open finance in Kenya: Opportunities for Kenya's financial sector	Communications	September 23rd
42.	CIS ValiData – An innovative tool for efficient data validation and submission of credit information to Credit Reference Bureaus	Francis Gwer	October 6th
43.	Cashlite has arrived in Kenya. It just took a while	Julie Zollmann	October 30th
44.	Credit denied: What four million loan rejections reveal about Kenya's financial divide	Sharon Juma	November 3rd
45.	Launch of the Gender-Disaggregated MSME Credit Dashboard	Communications	November 10th, 2025
46.	A solution to improved credit availability for smallholders and MSMEs in Kenya	Jared Ochieng, Robert Homans and Patricia Wena	November 24th
47.	SACCO remittance toolkit	Juliet Mburu, Lukania Geraldine Makunda, David Berno and Judyth ENGELS	November 26th
48.	FSD Kenya appoints Rashmi Pillai as new CEO	Communications	December 2nd
49.	Remarks by FSD Kenya CEO at the joint launch of the National Financial Inclusion Strategy (NFIS), Medium Term Plan IV for the financial services sector, and the Women Entrepreneurs Finance Code – 4th December 2025	Tamara Cook	December 17th



Events and webinars

Event name

[The Kenya open finance industry workshop](#)

[Getting to the bottom of the pyramid – efforts in investment in truly affordable housing](#)

[Exploring Ubuntu Homes: A model for green affordable urban rental housing in Nairobi](#)

[FSD Kenya at the Financing Agrifood Systems Sustainably - FINAS Summit 2025](#)

[The Women Entrepreneurs Finance Code \(the WE Finance Code\): Unlocking finance for women entrepreneurs](#)

[Awareness workshop – WE Finance Code Kenya Chapter](#)

[The green finance Kenya 2025 roundtable](#)

[Navigating open finance webinar - Key insights and opportunities for Kenya's financial sector](#)

[Launch of National Financial Inclusion Strategy \(NFIS\) 2025-28, the Fourth Medium Term Plan \(MTPIV\) for the Financial Services Sector, and signing of the Women Entrepreneurs Finance Code](#)



Financials

Financial Sector Deepening Trust Kenya
Income Statement - Unaudited
For the year ended 31st December 2025

	2025	2024 Audited
	KShs Millions	KShs Millions
INCOME		
Grants	1,420	1,105
Other Income	0.07	14
Finance income	14	44
Unrealised foreign exchange gains	-	-
Total Income	1,434	1,164
EXPENDITURE		
Project expenses	1,269	974
Administrative expenses	135	161
Other expenses	189	-
Total expenditure	1,593	1,136
Unrealised foreign exchange losses	10	210
Total costs	1,603	1,346
Surplus/(Deficit) for the year	(169)	(181)

While grant revenue increased in 2025, interest income declined due to the need to maintain higher liquidity to support programmatic activities, reducing the volume of funds committed to long-term fixed deposits. The fluctuating interest rate on fixed term deposits contributed to this variance too.



9

FSD Kenya's Programme investment committee(PIC)



Anne Mutahi
Independent member (Chair)



Andy Baker
Foreign, Commonwealth & Development Office



Anna Wallace
Gates Foundation



Ronald Inyangala
Government of Kenya



Paul Muthaura
Independent member



Amani M'Bale
Observer,
Gates Foundation



Peter Githongo
Trustee, BDO Kenya



Clifford Ah Chip
Trustee, BDO Kenya



FSD Kenya team (2025)



Amrik Heyer
Senior research advisor



Boniface Mbithi
Procurement specialist



Brian Cheruiyot
IT Manager



Collins Baswony
Communications lead



Duncan Oyaro
Enterprise specialist



Esther Muriithi
Finance and grant manager



Esther Murugi
Communications officer



Fausto Njeru
Finance and risk controller



Francis Gwer
Senior policy specialist



Hilda Githaiga
Project manager, Policy and infrastructure



James Kashangaki
Chief programme officer



Jared Ochieng
Senior agriculture finance specialist



Juliet Mburu
Senior digital financial infrastructure specialist



Lucy Owano
Project manager - Affordable housing



Geraldine Lukania Makunda
Data and insights specialist



Lydia Kamande
Office assistant/housekeeper



Lydiah Kioko
Head of operations



Michael Njeru
Project manager - Green finance



Nancy Atello
Project manager - Health
finance



Partick Macharia
Affordable housing specialist



Samuel Gicho
Office assistant/Driver



Sarah Makena
Senior green finance specialist



Seeta Shah
Senior Affordable housing
specialist



Sharon Juma
Data analyst



Sylvia Nyamai
Procurement officer



Tamara Cook
Chief executive officer



Valerie Mukuna
Results lead





Wanjiku Karanja
Livelihoods specialist




Wanza Mbole Namboya
Senior economic inclusion
advisor




 Riverside Green Suites
(Palm Suite), Riverside Drive
Nairobi, Kenya


 P.O Box 11353, 00100,
Nairobi, Kenya

 +254 20 513 7300

 info@fsdkenya.org

 @FSDKe

 @FSDKe

 www.fsdkenya.org

ISBN 978-9914-777-03-1



9 789914 777031

Creating value through
inclusive finance