



SPEECH BY THE MINISTER FOR YOUTH AFFAIRS AND SPORTS, HON. DR. NYONGESA P. OTUOMA, EGH, MP, DURING THE LAUNCHING OF NEW LOAN PRODUCTS BY THE YOUTH ENTERPRISE DEVELOPMENT FUND AND FLAGGING OFF OF MOTOR BIKES AT NYS RUARAKA ON 24TH MAY 2011

The Permanent Secretary,

Board members of the Youth Enterprise Development Fund,

The Chief Executive Officer of the Youth Enterprise Development Fund,

My fellow youth,

Ladies and Gentlemen,

I am pleased to preside over this launching of new loan products by the Youth Enterprise Development Fund as well as to flag off motorbikes that will be used to enable our officers reach the youth.

In its four years of operation, the Fund has impacted positively and transformed lives of thousands of young Kenyans.

To date, the Fund has disbursed **over Ksh. 3.1 billion to 100,000 youth enterprises** and **trained over 150,000 young entrepreneurs**.

In addition, the Fund has also assisted **over 3000 youth to obtain employment abroad** through the labour export programme. Through organized trade fairs, the Fund has assisted thousands of youth access markets for their products and services.

I have been visiting various parts of the country during my work as Minister for Youth Affairs and Sports and the youth have told me they appreciate our work. But they have also told me that we need to be dynamic in our products and services so that we move in tandem with them.

In particular the youth have expressed the need for varied products from the Youth Fund. Some have asked for enhanced loan amounts while others have

asked for loan products that are responsive to specific sectors such as agriculture and the arts.

We have started the journey towards addressing these needs. In relation to this, today, I am glad to announce the launch of the following loan products all of which will be provided at the constituency level:

1. RAUSHA, which will be a start up loan for groups
2. INUA, which will target business expansion for groups. Under this loan product groups will borrow up to Kshs. 400,000
3. SPECIAL, which targets special business projects across various economic sectors, such as agricultural production, livestock trading and other seasonal businesses. Under this loan product groups will borrow up to Kshs. 400,000
4. SMART, which targets individuals who have been in groups before. Applicants will be able to borrow up to Kshs. 100,000
5. SWIFT, which targets individuals who may never have been in groups before? Applicants will be able to borrow up to Kshs. 100,000.

Ladies and Gentlemen,

Last December, I announced the release of Kshs. 1.8 billion for lending at the constituency level. These new products will be financed from this money.

These products do not attract any interest. Beneficiaries will however be levied a 5% one-off management fee.

The products have been developed after extensive consultation with the youth, more so those in the rural areas. The products are expected to spur the uptake of loans by the youth.

As I have indicated we are now developing products that are targeting individuals, and enhancing the amounts loanable. Other products are being finalized and will be announced at the appropriate time.

We have also introduced a mandatory entrepreneurship training programme to all successful loan applicants, in order to enhance chances of survival of their enterprises.

Ladies and Gentlemen

The greatest determining factor to the success of these products is the youth themselves. Our officers have been sensitizing them on these products. Equally we are making a deliberate effort to reach the youth in their localities.

I am therefore pleased to release 110 motorbikes to supplement the vehicles that my Ministry has in the field. We are in the process of procuring another 100 motorbikes so that we have one in every constituency.

Our officers will now be in a position to attend meetings of youth groups at the village level. They will also regularly monitor the progress of youth projects and provide remedial services where required.

I therefore challenge the youth to come forward and seek the services of the Fund which have specifically been tailor made for them. I urge you to take the initiative of visiting our offices which have been established in all districts for more information on existing and the new products we are launching today since we don't have the capacity to reach every youth in their homes.

I promise you that the Fund will continue to develop non loan products for the youth of this country. For instance we are now partnering with local authorities to provide trading space for the youth. Just last week the Fund signed an MOU with the Municipal Council of Meru, where the Fund will construct market stalls for use by young entrepreneurs within the municipality.

With these remarks, Ladies and Gentlemen, I now declare RAUSHA, INUA, SPECIAL, SMART AND SWIFT products officially launched.