

# OUR LOAN PRODUCTS



# The Youth Enterprise Development Fund

The Youth Enterprise Development Fund (YEDF) is State Corporation established in year 2006 as one of the strategies of addressing the challenge of youth unemployment in Kenya. The Fund is one of the flagship projects of Vision 2030, under the social pillar. It provides financial support and business development services to youth owned enterprises.

## Our Vision

Economically empowered Kenyan youth running sustainable enterprises.

## Our Mission

To increase economic opportunities for, and participation of, Kenyan youth in job creation through innovative affordable financing, enterprise development and strategic partnerships.

## Our Mandate

- Provide loans to youth owned enterprises
- Provide market support to youth owned enterprises
- Facilitate youth owned enterprises to develop linkages with large enterprises
- Provide trading premises and worksites to youth owned enterprises
- Provide entrepreneurship training, mentorship and coaching
- Facilitate youth to obtain jobs abroad

# LOAN PRODUCTS

## GROUP LOANS

For a group to qualify for a loan it must meet the following requirements:

- A valid registration certificate from the relevant government body
- Group membership must not be less than 5
- Group Membership must be at least 70% youth (18-34 years), and leadership, 100% youth.
- Have a bank account where loan money will be deposited
- Submit completed loan application forms.
- Group members shall sign a guarantee/undertaking to repay the Loan
- Loan will be repaid into the bank account of the Youth Enterprise Development Fund, which will be provided.
- Group loans have no interest but a one-off management fee of 5%, deducted from the Loan at disbursement.
- Undergo entrepreneurship training at the cost of Kshs.1000

## 1. STAWI LOAN

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**Stawi** is a group loan for startups, running group projects/business expansion, special business projects that generate money periodically or during pre-determinable irregular periods and acquisition of group business assets.

Loan Amounts and Repayment:

First-time borrowers:

- Newly formed groups: Up to Kshs. 100,000
- Groups with existing projects: Up to Kshs. 200,000

Loan Graduation: Subsequent loans can be up to two times the previous borrowing amount.

### Repayment Periods:

- Kshs.. 100,000: Maximum 9 months
- Kshs.. 100,001 – 200,000: Maximum 12 months
- Kshs.. 200,001 – 500,000: Maximum 18 months
- Kshs.. 500,001 – 1,000,000: Maximum 36 months

**Grace Period:** Three months for startups and One month for running projects.

### Required Documentation:

- Certified bank statements:
- Start-ups: Recent statement
- Existing businesses: Last 3 months
- Recent business records (for existing businesses)
- Bank details form signed by all account signatories
- Training certificate (for new groups)
- Collateral/Security:
- Group members shall co-guarantee and sign a guarantee/undertake to repay the loan.
- Loans above Kshs. 500,000 shall be secured using conventional security
- Lien on funds in group account

## 2. E-YES LOAN

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E-Yes is available to individuals belonging to a Group, CBOs, Investment Clubs, or SACCOs that has benefited from the YEDF. The borrower could be a startup, expansion, or acquisition of assets. He/She must have a clear business plan for starting a formally recognized business.

## Loan Amounts and Repayment:

### Maximum Loan Amounts:

- First-time borrowers (start-up business): Kshs. 20,000
- First-time borrowers (existing business): Kshs. 50,000

### Maximum Repayment Period: 18 months

### Loan Graduation:

- 1st loan: Up to Kshs.. 50,000 for maximum 9 months
- 2nd loan: Up to Kshs.. 100,000 for maximum 9 months
- 3rd loan: Up to Kshs.. 150,000 for maximum 12 months
- 4th loan: Up to Kshs.. 200,000 for maximum 18 months

### Collateral Requirements:

- Group members shall co-guarantee and sign a guarantee/undertake to repay the loan.
- Business assets, stock, livestock, and household chattels of the borrower

## LOANS FOR INDIVIDUALS, COMPANIES, AND PARTNERSHIPS

For a sole proprietorship, limited company or partnerships to qualify for a loan it must meet the following requirements:

- Dully filled application form
- Guarantee form where applicable
- Business proposal for start-ups
- Copies of ID and PIN for all borrowers/directors
- Two most recent colored passport photos
- Copy of security document
- Resolution to borrow in the case of a limited company, capturing amount, purpose,
- payment period, and security offered (must be sealed)
- Bank account details form
- Copy of business registration certificate/certificate of incorporation
- Copy of Articles and Memorandum of Association
- Pin certificate for the company in the case of a limited company
- Tax Compliance Certificate
- CR12 for company

# 1. VUKA LOAN

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**Vuka loan** is available to youth who wish to start or expand businesses. Applicants may use the loan for financing working capital, for business startup and expansion.

## Eligibility:

- Youth intending to start commercial ventures with a viable business plan
- Youth with existing commercial ventures for expansion purposes
- Partnerships and sole proprietorships who have been in operation for at least 6 months
- Limited companies must have been in operation for at least 1 year

## Loan amounts and Repayment:

Maximum Amount is Kshs. 5,000,000

Repayment Period:

- Kshs.. 100,000: Maximum 1 year
- Kshs.. 100,001 to 300,000: Maximum 2 years
- Kshs.. 300,001 to 1,000,000: Maximum 3 years
- Kshs.. 1,000,001 to 5,000,000: Maximum 5 years

**Interest:** An interest of 8% p.a. will be charged on the borrowed amount

## Collateral/Security:

- Loans secured by chattels will require two guarantors
- Amounts up to Kshs.100,000 will be secured using flexible security (chattels, stock, livestock, business assets, guarantees)
- Repeat/Top-up loans of up to Kshs. 300,000 will be secured using Chattels, stock, livestock, business assets (after successful repayment)

Conventional securities will be required for:

- First-time loans above Kshs. 100,000
- Top-up/repeat loans above Kshs.300,000

## 2. ASSET FINANCE LOAN

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Asset Finance loan is available to youth entrepreneurs who wish to purchase business assets. The Fund will finance up to 75% value of the equipment/asset being purchased, excluding landed property. The loan is ideal for existing businesses seeking expansion and can be used to acquire new business machines, tuktuks, motorcycles, and motor vehicles that are not older than 8 years from the date of manufacture.

Loan Amounts and Repayment:

- Maximum Amount: Kshs. 5 million
- Maximum Loan Term: 4 years

Repayment Periods:

- New vehicles: Up to 4 years
- Used vehicles: Up to 3 years
- Motorcycles: Up to 1 year
- Tuk tuks: Up to 1.5 years
- PSVs: Up to 3 years
- Other assets: Up to 4 years (depending on asset nature)

### Conditions for PSV Matatu Financing:

- Borrower must identify a reputable registered Sacco (at least 1 year old)
- Provide Sacco registration documents and clearance letter/certificate

### Collateral/Security:

- The financed asset will serve as the primary security
- The Asset will be co-owned by the YEDF and client until loan repayment
- Additional conventional collateral will be required for assets other than motor vehicles,,tuktuks, and motorcycles

### 3. AGRIBIZZ LOAN

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The loan is available to youth who wish to start or expand agricultural related businesses including purchase of equipment and working capital. The loan is available to individuals, registered groups, partnerships and companies owned and run by the youth. Youth can access up to Kshs. 1 Million. The loan attracts an interest of 8% and a 1% processing fee netted off at disbursement.

Maximum Loan Term: 2 years

#### Repayment Period

- Kshs. 20,000 to 50,000: Max 9 months
- Kshs. 50,001 to 200,000: Max 12 months
- Kshs. 200,001 to 500,000: Max 18 months
- Kshs. 500,001 to 1,000,000: Max 24 months

#### Collateral/Security:

For loans up to Kshs.. 300,000:

- Social collateral from Aggregate, CBO, Investment Club, or SACCO

#### Conventional Security:

- Loans secured by chattels will require two guarantors
- Loans up to Kshs. 300,000 will be secured using flexible security options (chattels, stock, business assets, livestock, and/or guarantees)
- Top-up/repeat loans above Kshs.. 300,000 will be secured using conventional securities

## 4. LPO/LSO FINANCING

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The LPO/LSO financing loan targets youth entrepreneurs and youth-owned firms participating in public procurement opportunities who require funding to facilitate the execution of LPO/LSO contracts. The Fund will finance up to 70% value of the LPO/LSO

### Eligibility:

- Original and valid LPO/LSO or copy of contract
- Procuring entity must agree to pay tender proceeds to Youth Enterprise Development Fund Board

### Eligible Procuring Entities:

- Government ministries, parastatals, agencies, county governments, constitutional
- commissions
- oNSE-listed companies, infrastructure companies with large government contracts o Credible NGOs (in consultation with NGO Council)
- International development organizations (risk level considered)
- Other credible private institutions (schools, hospitals, companies, etc.)

### Loan Amount:

- Minimum: Kshs. 20,000
- Maximum: Kshs. 3 million

### Collateral/Security:

- Certificate of Undertaking endorsed by procuring officer and accounting officer

Loans up to Kshs.. 100,000:

- Secured by chattels, stock, business assets, or simple deposit of conventional security
- Two guarantors required

Loans above Kshs.. 100,000:

- Secured by conventional securities

## 5. V-TALANTA LOAN

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The loan targets youth in the creative economy and sports. It seeks to help them commercialize their talents, develop creative projects, launch startups and grow their businesses.

### Eligibility:

- Youth in specific sport governing bodies in Kenya
- Athletes
- Youth-owned sports agencies/academies/organizations
- Business structures: Sole proprietors, Partnerships, Limited Companies, Youth groups

### Loan Amount:

- Minimum: Kshs.. 50,000 – Maximum: Kshs.. 2,000,000

### Loan Term:

- Maximum: 4 years

### Repayment Period:

For Working capital/equipment purchase:

- Up to Kshs.300,000: Max 18 months
- Kshs. 300,001-1,000,000: Max 24 months
- Kshs. 1,000,001-2,000,000: Max 48 months (4 years)

For Contract financing, budgeted recording, production or performing art:

- Bullet payment will be done within a maximum of 6 months

### Collateral/Security:

- Loans secured by chattels will require two guarantors (one must be club/agency/organization for players/athletes)
- Loans up to Kshs.. 100,000 will be secured using chattels, stock, livestock, business assets o Loans above Kshs.. 100,000 will be secured using conventional securities
- Insurance on purchased equipment (borrower's cost)

### Contract Requirements:

- Agreement term (clear begin and end)
- Service to be rendered by player
- Remuneration
- Clear termination clause
- Clear disciplinary and conflict resolution mechanism
- Signed by both player/athlete and club officials/agency/academy/organization

### Required Documentation:

- Valid contract (3+ months old) between player/athlete and club/agency/organization
- Valid membership certificate/cards from relevant sport governing body
- Valid registration license for private sport agencies/academies
- Recommendation letter from agency/academy/club/sport organization

## 6. GO GREEN FINANCE PRODUCT

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The loan targets to support youth entrepreneurs in the green economy. It finances projects in renewable energy, eco-tourism, waste management, organic farming, afforestation, carbon credits among others. It targets start ups and existing businesses.

### Loan Amount:

- Minimum: Kshs.. 20,000 – Maximum: Kshs.. 2,000,000

### Loan Term:

- Maximum: 2 years

### Repayment Period:

- Kshs. 20,000: Max 6 months
- Kshs. 20,001 – 50,000: Max 9 months
- Kshs. 50,001 – 100,000: Max 12 months
- Kshs. 100,001 – 500,000: Max 18 months o Kshs. 500,001 – 2,000,000: Max 24 months

### Collateral/Security:

For loans up to Kshs.. 100,000:

- Social collateral from Aggregate, CBO, Investment Club, or SACCO
- Flexible security (chattels, stock, business assets, livestock, and/or guarantees)

For repeat borrowers (up to Kshs.. 300,000):

- Flexible security for those who have successfully repaid the first loan

For loans above Kshs. 100,000:

- Conventional security required

## 7. VIBE (VIJANA IN BLUE ECONOMY) LOAN

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The loan is available to youth who wish to start or grow business ventures in the blue-economy ecosystem. It can be used for working capital or to purchase assets for both startups and expansions in fisheries, aquaculture, marine tourism, marine biotechnology, maritime transport, coastal conservation.

### Loan Amount:

- Minimum: Kshs.. 50,000 – Maximum: Kshs.. 1,000,000

### Loan Term:

- Maximum: 3 years

### Repayment Period: A Working capital/equipment purchase:

- Kshs.. 50,000: Max 9 months
- Kshs.. 50,001–100,000: Max 12 months
- Kshs.. 100,001–300,000: Max 2 years
- Kshs.. 300,001–1,000,000: Max 3 years
- B. Seafarer employment:
  - Max Kshs.. 200,000 for up to 9 months

### Loan Security:

- Social collateral from the group, CBO, Investment Club, or SACCO
- Loans secured by chattels will require two guarantors
- Loans up to Kshs. 100,000 will require flexible security (chattels, stock, livestock, business assets, guarantees)
- Repeat/Top-up loans up to Kshs. 300,000 will require flexible security (after successful repayment of first loan)
- Conventional securities will be required for:
  - First-time loans above Kshs.. 100,000
  - Top-up/repeat loans above Kshs.. 300,000
- Certificate of Undertaking

**Seafarer employment:** the loan facilitates pre-embarkation and embarkation costs for cruise ship employment

### Requirements:

Guarantors:

- Will require 3 guarantors i.e. Parent/guardian, KMA official, Seafarers Union official

### Documentation:

- Recommendation letter from KMA
- Membership in Seafarers Union of Kenya
- Letter of Intent or offer letter for seafarer employment
- KMA-provided list of service providers and associated costs (e.g., Bandari College, medication fees)

## 8. MIGRATION LOAN

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This loan program is available to youth who have secured employment opportunities abroad, as well as to registered private recruitment agencies (on behalf of youth with employment contracts). It aims to assist labor migrants by covering their essential pre-departure expenses. These costs include obtaining a passport, securing a visa, purchasing air tickets, undergoing required medical examinations and vaccinations, taking professional certification exams, and participating in pre-departure training.

### Loan Amount:

For individuals:

- Minimum: Kshs. 10,000
- Maximum: Kshs. 300,000

For recruitment agents:

- Maximum: Kshs. 5,000,000 (based on total budget for applicants)

### Loan Term:

- 6 months (except for jobs with shorter pre-arranged repayment plans)

### Loan Security:

- Employer Guarantee (for foreign employment companies)
- First-level guarantors (family members) for individual borrowers
- Conventional security for employment agencies

### Required Documentation:

- Employment contract
- Valid passport evidence
- Valid registration license for private employment agencies
- Evidence of successful migrant recruitment and budget for each applicant (for agencies)
- Compliance with documentation and eligibility criteria as per policy

## HOW TO ACCESS YOUTH FUND SERVICES

- Visit your respective County headquarters and ask for a youth officer.
- Pick a loan application form, fill and attach the required documents
- Return the form to the same offices
- The officer will guide you on all other necessary steps (vetting, training, how to repay)
- The loan money is deposited into the bank account of the applying group or company
- Ensure the Loan is used for the purpose it was applied for
- All loans must be repaid within the stipulated time.



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