Celebrating MESPT for transforming MSMEs and livelihoods of rural farmers

Message from the National Treasure

The Government of Kenya is proud to have founded the Micro Enterprises Support Programme Trust (MESPT) 20 years ago, jointly with the European Union. The European Union later relinquished its Founder status to the Royal Danish Embassy in Kenya.

As the Founders, we have nurtured the Trust through provision of a legal framework and an oversight role at the Board of Trustee level.

MESPT seeks to transform livelihoods of rural farmers and the Micro, Small and Medium Enterprises through provision of integrated and sustainable business solutions. It is a vehicle with which donors choose to implement programmes and projects that support the development agenda of the Government, such as enhanced access to finance, increased agricultural productivity and markets, improved incomes and creation of job opportunities for youths and women.

As the Government of Kenya, we are keen to see green growth and development of the agricultural sector and financial inclusion in sectors that are supported by MESPT. We applaud the Trust for its continued commitment of building a better society. This is evident in the milestones achieved so far.

As we celebrate the Trust’s 20th anniversary, we are proud of its success and contributions to the Kenyan economy. Happy anniversary!

MESPT and Keitt Exporters executives exchange the signed MoU outlining modalities
• of implementing the Green Employment in Agriculture Programme (GEAP).

MESPT as you celebrate your 20th Anniversary
We are proud to be partners in Transforming Lives.

Juhudi Kilimo
Investing in farmers. Transforming lives

Juhudi Kilimo was established in 2004 as an agriculture micro-lending initiative under K-Rep Development Agency. By 2009, we had developed into an independent for-profit credit-only financial institution with a mission to improve the livelihoods of rural smallholder farmers and micro-entrepreneurs. Vision: To be the leading provider of transformational financial solutions to rural smallholder farmers in East Africa. Mission: To improve the livelihoods of rural smallholder farmers and micro-entrepreneurs by providing wealth-creating financial solutions.

Our Loans
• Crop farming loans
• Animal farming loans
• Farm equipment loans
• Working capital loans
• Clean energy loans
• Micro-housing loans
• Chara loans
• Salary check-off loans
• Consumer loans

Our Products
• Group Loans
• Individual Loans

In Financial and Social Rating, Juhudi attained B+ and B respectively, conducted by Microfinance Rating.

Visit us today and enjoy:
• Easy application process
• Fast access to loans
• Flexible repayment periods
• Innovative loan products
• Training

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Our Loans are tailored to meet farmers’ and micro-entrepreneurs needs
• Easy application process
• Fast access to loans
• Flexible repayment periods
• Innovative loan products
• Training
It’s 20 years of support to Kenyan smallholder farmers

Message from The Royal Danish Embassy

As a founder and donor to Micro Enterprises Support Programme Trust (MESPT), Denmark is very happy and proud to congratulate MESPT on the 20th anniversary today. Since 2002, we have partnered with MESPT to support and create green opportunities for especially youth and women in the agricultural sector, and to develop and nurture green value chains in Kenya. The achievements speak for themselves – more than 300,000 MSMEs have received support and, consequently, 70,000 jobs created. Kudos to MESPT! MESPT’s vision and mandate is closely aligned with Denmark’s ambitions in both the newly launched Development Cooperation Strategy and the bilateral partnership between Denmark and Kenya that runs from 2021-2025. Climate adaptation approaches, green transition and the creation of green and decent jobs plays a central role in both strategies, and MESPT is an important partner for Denmark in Kenya to achieve these objectives.

Ten years ago, I visited Qwetu SACCO in Taita Taveta County to see the impact of MESPT’s engagement there. MESPT had provided financial support to the SACCO and through this a group of rural smallholder farmers. It was clear, that this investment made a huge difference in terms of productivity levels and hence for the income, wellbeing and sustainability of the farmer’s lives and the local community. The SACCO has since grown from 2,430 active loan borrowers to 48,058 borrowers in 2020 courtesy of MESPT support.

Kenya’s population grows by 2.2% every year, and is expected to pass 90 million by 2050. The agricultural sector needs to expand significantly to match this population growth, and it will be critical to increase productivity, minimize post harvest loss and engage more people – especially youth - in the sector. MESPT already plays an important role in this process, and its mandate will only get more important in the coming years. The agricultural sector also holds great opportunities for the creation of green and decent jobs, and MESPT’s achievement on this shows a good way forward on this agenda.

It is really encouraging to witness MESPT’s growth for the last 20 years, from the initial start up to becoming one of the leading institutions in providing agribusiness related support to Small Holder Farmers. Thanks to the partnership with Denmark. As we continue our good collaboration, we encourage MESPT to lower interest rates on loans for farmers to below 10%, in order to allow more farmers to benefit from their support. We wish MESPT a happy anniversary and look forward to many more years of fruitful collaboration in support of Kenya’s agricultural sector.
MESPT to create 5,000 decent jobs and grow 100 agri-SMEs by 2025

Message from MESPT Chairman, Board of Trustees

It is with great pride and pleasure to witness MESPT turning 20 years. We would not have come this far without the support of our founders: The Government of Kenya through the National Treasury, and The Royal Danish Embassy, through DANIDA.

The Trust has been a channel of socio-economic growth to the Kenyan people (mainly smallholder farmers and MSMEs) for over 20 years by way of strengthening the agriculture value chains. Agriculture being the backbone of our country's economy requires support and effort from various stakeholders to continually improve the sector. This is where MESPT has identified as a strategic niche to turn around the fortunes of smallholder farmers and agri-entrepreneurs in the country through capacity development, which includes knowledge and skills transfer, technical assistance, business advisory, and financial and market linkages.

In our recently launched Strategic Plan 2021-2025, the Trust is focusing on four thematic areas, namely, agri-enterprise development (MSMEs), access to finance, agricultural productivity and food safety, and green transformation.

As an organisation, we desire more than ever before to live our vision of “building a more prosperous society” by responding to pressing economic, environmental, and social challenges such as climate change, fnancial exclusion, unsafe food, and women and youth unemployment. This strategic direction will take us far, not only by contributing to Kenya’s Big-4 Agenda and the Vision 2030 development blueprint, but also by addressing at least 12 global Sustainable Development Goals (SDGs).

As a champion for inclusive growth, MESPT will anchor gender equity at the core of all its interventions, and will endeavour to increase women’s access to and control of productive resources, increase decision-making power at the household and community level, and promote meaningful involvement of women in all the projects of our work. We are aiming to have women as 40 percent of the beneftaries from our interventions. Also, during this strategic period, we will ensure to integrate 30 percent youth into all our programme interventions within our focus value chains.

By 2025, we endeavour to facilitate the creation of 5,000 decent jobs, support the establishment and growth of at least 100 sustainable agri-enterprises, and integrate at least 75,000 smallholder farmers in targeted value chains. The Trust also aims at improving agricultural productivity and food safety for 75,000 households by increasing awareness, investments, and adoption of green and eco-friendly technologies, as well as expanding fnancial access and inclusion for the growth of MSMEs.

MESPT is currently working in 25 counties in Kenya with fnancial support from the Royal Danish Embassy and the European Union. We work closely with the County Governments, key government ministries and the private sector to deliver on our goals and objectives.
Today, I am delighted to celebrate 20 years of our presence in Kenya. We are also launching a new five-year programme titled Green Employment in Agriculture Programme (GEAP), funded by DANIDA. GEAP targets 40,000 smallholder farmers and will be implemented in 13 counties of Kilifi, Kwale, Nakuru, Nyandarua, Siaya, Kisii, Kakamega, Bungoma, Trans Nzoia, Uasin Gishu, Makueni, Machakos and Tana River. The programme will facilitate increased commercialisation, decent employment, and green transformation through targeted interventions in 11 selected agriculture value chains that include, Dairy, Export Vegetables, Mango, Avocado, Indigenous Chicken, Coconut, Aquaculture, Pineapple, Cassava and Moringa.

For two decades now, we have earned a reputation of building a more prosperous society by providing sustainable solutions that solve social, economic, and environmental challenges. Through our development model that enables smallholder farmers to access credit, increase agricultural productivity and reach markets, we play a critical role in financial inclusion and have implemented programmes that contribute to our country’s food security, as well as facilitating local and export market linkages for the farmers.

Our existing programme portfolio has three key flagship programmes namely, Agrifood Safety System for Value Chain Competitiveness 2018-2023, Danida Market Development Partnership (DMDP) Spurring Job Creation in Kenya by Enhancing the Competitiveness of the Banana Sub-Sector in Taveta 2020-2024, and the Green Employment in Agriculture Programme 2021-2025. Through the portfolio, we will continue to undertake strategies that contribute to increased access to credit for agribusiness MSMEs as well as facilitating local and export market linkages for the farmers.

The focus on the agricultural sector is informed by its critical contribution to Kenya’s economic development, notably through informal employment creation, especially for the marginalised. Agriculture is one of the key drivers of economic growth in Kenya, accounting for 35.4 percent of the GDP in 2019/2020, and 75 percent of the population earning all or part of their income from the sector.

The agriculture sector directly employs more than 40 percent of the total population, of which more than 70 percent are in rural areas. It also accounts for 65 percent of export earnings. Despite its economic significance, the agricultural sector still struggles to attract sufficient funding due to real and perceived risks and competing returns in alternative sectors. This notwithstanding, we are grateful that we have development agencies and the government still supporting enablers of development like MESPT, to implement interventions geared towards improving the livelihoods of smallholder farmers in Kenya. Through our access to finance strategy, smallholder farmers and agri-SMEs will benefit from financial instruments that are affordable, flexible, patient and easy to access.

Moving forward, we are committed to expanding our impact, thus cascading innovation, enterprise, market-development strategies, and linkages, in addition to supporting and financing enterprises while promoting adoption of green solutions.

Our strategic direction is to enable investment in agribusiness and promote green employment through targeted interventions in 11 selected agriculture value chains that include, Dairy, Export Vegetables, Mango, Avocado, Indigenous Chicken, Coconut, Aquaculture, Pineapple, Cassava and Moringa.

REBECCA AMUKHOYE, CHIEF EXECUTIVE OFFICER, MESPT
Happy to note that MESPT has remained successful

Message from the Founding CEO

The Government of Kenya and the European Union implemented a Programme to support micro and small enterprises from 1997 to 2002. The programme had three components. The first offered loans to microfinance institutions and SACCOs, while the second provided support to organisations that delivered business development services (BDS). The third component provided institutional and capacity building support to the partner organisations.

To continue offering the services of the Programme in perpetuity, the financing agreement between the Government of Kenya and the European Union provided for the setting up of a Trust that would receive the funds that were in the revolving credit fund as a donation to the people of Kenya. The Micro Enterprises Support Programme Trust (MESPT) was established with a seed capital of €4,417,000 donated by the European Union. The Government of Denmark also became a partner of MESPT in 2005 when it provided funding for the Agriculture Business Development (ABD), Programme.

I am privileged and honoured to have worked for the EU-funded Programme and to have served as the founding Chief Executive Officer of MESPT for a period of more than 12 years. I am happy to note that MESPT continues to deliver on its mandate of sustaining the organisation continued success for many decades to come.
Celebrating MESPT 20 Years

20 Years of Building a Prosperous Society through Agricultural Value Chains
Development and Financial Inclusion for Sustainable Socio-Economic Development

Current Programmes

1. GREEN EMPLOYMENT IN AGRICULTURE PROGRAMME (GEAP)

**LOCATION**
12 Counties
(Kisii, Kwale, Nakuru, Nyandarua, Siaya, Kisii, Kakamega, Bungoma, Trans Nzoia, Uasin Gishu, Nakuru and Machakos).

**FOCUS**
Support 40,000 smallholder farmers in Dairy, Export Vegetables, Mango, Avocado, Indigenous Poultry, Coconut, bananas, and Aquaculture

**BUDGET**
DKK 70,000,000 (KES 1,050,000,000)

**DONOR**
MINISTRY OF FOREIGN AFFAIRS OF DENMARK

**PERIOD**
5 Years (2021-2025)

2. SPURRING JOB CREATION IN KENYA BY ENHANCING THE COMPETITIVENESS OF THE BANANA SUB SECTOR

**LOCATION**
Taita Taveta

**FOCUS**
Banana Value Chain Competitiveness

**BUDGET**
DKK 9,747,780 (KES 146,216,700)

**DONOR**
MINISTRY OF FOREIGN AFFAIRS OF DENMARK

**PERIOD**
5 years (June 2020 – May 2025)

3. FOOD SAFETY SYSTEMS FOR VALUE CHAIN COMPETITIVENESS

**LOCATION**
Nyangarua, Nakuru, Kiambu, Kirinyaga, Embu, Meru, Nakuru, Machakos, Kilifi, Migori, Kisii, Kakamega and Bungoma

**FOCUS**
Aquaculture, Dairy and Horticulture (Mango, Avocado and Beans for export) value chains

**BUDGET**
Euros 7,000,000 (KES 784,000,000)

**DONOR**
MINISTRY OF FOREIGN AFFAIRS OF DENMARK

**PERIOD**
6 Years (2018-2023)

OUR CONTACT DETAILS

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OUR ACHIEVEMENTS FOR THE LAST STRATEGIC PERIOD

KES 6.2 BILLION

36 financial institutions have benefitted from MESPT sustainable financing.

350,000

600 youth-led enterprises supported under our programmes.

6,000

farmers certified in various food safety market standards hence accessing international markets and generating premium prices.

KES 6.8 BILLION

70,000 job opportunities have been created at various levels of the market systems.

15 Green technologies promoted by MESPT across target regions with more than 3,000 smallholder farmers adopting the technologies for use.
Solution Sacco, supported by MESPT, receive laptops to facilitate work flexibility after the Covid-19 pandemic struck.

Approach
- Direct lending to SMEs and farmer co-ops.
- Wholesale lending through financial service providers focusing smallholder farmers.

Products
- Wholesale Lending facility at interest rate of six percent per annum, targeting end user at 10 percent per annum, all on the reducing balance.
- Working capital for SMEs and farmer co-operatives at 10 percent per annum on the reducing balance.
- Asset finance for SMEs at 10 percent per annum on the reducing balance and for farmer co-operatives at interest rate of eight percent per annum on the reducing balance.
- Technical support for enhanced business delivery

Portfolio
- Aggregate disbursements Ksh6.2 billion.
- End user outreach: 250,000.

Financial Access and Inclusion
Targets smallholder farmers, Agri-based SMEs and financial service providers working with smallholder farmers, farmer co-operatives and financial service providers focusing smallholder farmers.

Solution Housing & Investment
NANYUKI PRIME

HEAD OFFICE
P.O. Box 310 – 60202, Nkubu.

BIMAS KENYA LTD is a microfinance institution headquartered in Embu serving in 19 counties with 40 field offices.

OUR PRODUCTS
- Social products: We give physical products that have direct and immediate impact to customers e.g. Energy saving jiko and solar.
- Insurance services: We offer all classes of insurance and train all our customers.
- Water & Sanitation (WASH): This is a product that targets to meet all water and sanitation needs for all Brania clients.
- Training: We train all our customers on diversified business skills before we fund them.

MESPT CREDIT PORTFOLIO

Wholesale Lending facility at interest rate of six percent per annum, targeting end user at 10 percent per annum, all on the reducing balance.

Wholesale lending through financial service providers focusing smallholder farmers.

Portfolio
- Aggregate disbursements Ksh6.2 billion.
- End user outreach: 250,000.

Vision:
To be the leading microfinance institution in Kenya.

Training:
We train all our customers on diversified business skills before we fund them.

Congratulations MESPT as you celebrate your 20th Anniversary. We are proud to be partners in Transforming Lives.

Our Motto: Your Timely Financier.

Our Products:
- Biogas installation
- Maziwa plus loan for already milking farmers
- Zero grazing (building of standardized cow sheds)
- Cow purchasing, Chuff cutters purchasing, Machwa plus loan for already milking farmers
- Biogas installation

MESPT as you celebrate your 20th Anniversary. We are proud to be partners in Transforming Lives.
How MESPT has championed sustainable economic inclusion over the years

BY MILLICENT MWOLLO

The Micro Enterprises Support Programme Trust (MESPT) begun in 1997 as Micro Enterprises Support Programme (MESP) by the Government of Kenya and the European Union. This was under the Ministry of Trade and Cooperatives. In 2002, the programme was elevated to a Trust.

With a seed capital of €4,417,000 (Ksh420 million then), MESPT started the wholesale loan portfolio with the objective of addressing the gap in affordable and accessible lending to the many unbanked groups, especially in rural Kenya. The Trust’s mandate has since been expanded to include the implementation of donor funded projects.

MESPT’s current mandate is to support sustainable economic growth and development of smallholder farmers and agri-SMEs to increase productivity and income, and enhance competitiveness for job creation, especially for youth and women.

The Trust has been supporting the agricultural and financial services sectors of the Kenyan economy for 20 years, and for the past 10 years ventured into supporting the green/renewable energy industry. As a result, MESPT has developed key competencies that have contributed to enterprising solutions that have impacted Kenya’s rural poor to increase their competitiveness in various agricultural value chains, leading to job creation and improved livelihoods.

MESPT implements its mandate through value chain and enterprise development, and financial services. Value chain and enterprise development largely focuses on value chain and market systems development, while financial services are geared towards wholesale lending and technical assistance to financial intermediaries, with a focus on creating financial inclusion in targeted excluded enterprises.

Key work streams involve building the capacity of value chain stakeholders, increasing agricultural productivity and food safety systems facilitation of market linkages, and access to finance. MESPT promotes the uptake of green interventions and services that contribute to a greener economy as well as advocating for an enabling environment in the food safety sub-sector in Kenya.