



REPUBLIC OF KENYA

PRESS RELEASE

MINISTRY OF COOPERATIVES AND MICRO, SMALL AND MEDIUM ENTERPRISES (MSMES) DEVELOPMENT

PRESS STATEMENT ON THE HUSTLER FUND REPORT BY THE KENYA HUMAN RIGHTS COMMISSION

Video Link:

https://sendgb.com/8T1RXevpVA4?utm_medium=GR6zFVIuTvNISmd

Photos:

<https://www.flickr.com/photos/202958393@N02/albums/72177720328170364/>

Monday 4th August 2025: Our attention has been drawn to a report widely published by the Kenya Human Rights Commission claiming the failure of the Hustler Fund, drawing conclusions that are politically veiled. The title of the report explicitly betrays the whole purpose of the study.

The report assessment period is indicative of the financial year 2022/2023, when the Fund was set up and was only 7 months old by the end of the said financial year. They have also weaponised the report by the Auditor General of the said financial year, when most of the issues raised in the report were not yet conclusive.

Of critical concern is the attempt by the report to generalise the findings of the first month of the Fund period (between November 2022- December 2022) to draw immature conclusions and recommendations. This questions the level of professionalism and the integrity of the data instruments and the processes that were deployed in the study.

As the ministry in charge of the implementation of the Fund, we were never approached, and we have since confirmed from the management of the Fund that they too, were not approached to respond or give clarity to all the claims and nuances that have come out of the study. If the NGO was genuine in its pursuits, they would at the least have adhered to the professional ethical standards that govern such studies.

We also take note of the initial launch for the said report, which had been scheduled for June 24th 2025, to coincide with the First anniversary of the Finance Bill 2024 protests. Now, looking at some of the conclusions and premature recommendations, it is sufficient to say that the purpose of this malicious and contemptuous unprofessional study was to provide a tool for public incitement against the transformative reform agenda that President Ruto is presiding over.

Having gone through the report and conclusions, we find the report wanting in facts and hence aimed at misleading the masses. For the record:

1. Professionalism demands a response from the key players and the ministry was never approached. Therefore, the conclusions made are keen to sentencing the Fund to death without trial.
2. At the executive summary, the report falsely claims that we have capitalised the Fund with **Kshs. 50 billion**. The amount so far injected into the Fund is **Kshs. 14 billion**, which has been reinvested in a portfolio of over **Kshs. 72 billion** as of today. The dependency on the exchequer has significantly reduced as the Fund diversifies into graduation products co-created with the banks to facilitate entry into the formal financial systems by our beneficiaries with proven good hustler Fund credit behaviour.
3. It's untrue to insinuate that the fund is not accessible to Kenyans, whereas it's available on *254#, for both feature phone and smartphone users. This has seen 26 million Kenyans access the fund across the country.
4. It is insufficient to use one financial year's experience to conclude that the Fund is not helpful to Kenya, yet the two-and-a-half years' experience so far has proven the contrary, as more than **9 million** people borrow regularly.

5. It is false to insinuate that the Fund is inaccessible, whereas the Fund has reached over 26 million adult Kenyans in two and a half years through a zero-rated mobile telephone channel ***254#**, which can be accessed both on feature (mulika mwizi) and smartphones.
6. The findings assume the credit market realities of the digital lending landscape, where the average ticket size is about **Kshs. 250**
7. The report fails to acknowledge from the onset the very purpose of the fund including the credit repair mechanism that the Fund has offered, establishing a credit history of all the **26 million** beneficiaries and according them a second chance to the majority of Kenyans who had been negatively listed by CRBs following the aftermath of the Covid-pandemic that crushed many small businesses.
8. The report lazily claims that we lend between **Kshs 500 to Kshs 1000** when in actual sense, the **personal loan product** cited provides **limits up to Kshs. 50,000**. This was case from the onset. A properly conducted study should have brought up the true status.
9. To date, Hustler Fund beneficiaries have continued growing their limits, and we have those who are borrowing up to **Kshs. 150,000** on the Bridge loan product.
10. The Hustler Fund base limit is way above the market ticket size of digital products in the country, which is around **Kshs. 250**. Clearly, the NGO either don't understand the credit market landscape or they feigned ignorance to buttress their political motive.
11. The report claims that a **14-day credit period** is insufficient, but one wonders whether they interrogated the digital loan period in the market, which Hustler Fund design leverages to correct the credit market failure.
12. The personal loan product is not the only product of the Fund, and the bridge product provides a term loan limit of **30 days** at 8% p.a and with a rollover of once up to **60 days**. This is a business-oriented product that

targets to graduate the good hustler Fund beneficiaries to the formal financial system.

13. In conclusion, we find the report to be skewed, elitist and politically motivated.

The Fund is very progressive in deepening financial inclusion and rehabilitating credit behaviour in the country, with more than **9 million borrowing regularly** and over 5 million showcasing good borrowing tendencies, repaying in time and therefore earning eligibility to be graduated to higher loan limits on the current bridge product, where they can access up to **Kshs. 150k** depending on their Hustler Fund credit scores.

The Fund is today disbursing a daily average of **Kshs. 68M on a personal loan product** and about **Kshs. 27 million** on the bridge.

We have disbursed a total of **Kshs. 72 billion** in both personal and bridge loan products. We have recorded a repayment of over Kshs. 60billion.

The **Average ticket size** on the personal is **Kshs. 925** above the market ticket size of digital loans, which is about **Kshs. 200**. On the bridge, the average loan ticket is **Kshs. 3, 962**.

The Fund has a mandatory saving component of **5%** where **30% short-term and 70% long-term**. Aimed at nurturing a culture of savings as a de-risking mechanism, and to date, over **Kshs. 5 billion** has been mobilised in savings in both mandatory and voluntary savings.

The Fund experience has created credit visibility of the 26million customers, which has now been crystallised in a Hustler Fund behavioural credit rating system ranging from **A1, A2, A3, B1, B2, B3, C1, C2, C3**, with A-scores being excellent while C-scores being very poor.

We are currently institutionalising the credit score to take it to the market and encourage the market to adopt credit rating as opposed to the conventional collateral, which most.

The numerous reports that have been done on Fund point to its great potential in unlocking financial inclusion. Just recently, the CBK report on financial access in

the agricultural sector showed that Hustler Fund financing had overtaken institutions like AFC in financing the sector at the bottom of the economic pyramid.

To date, if you go on the ground, nearly all the households have been reached. Making the Fund digital was to reduce barriers that are attendant to physical operations that end up being reflected in the cost of credit, leading to expensive loans.

It is therefore prematurely erroneous for the NGO to publish a skewed report devoid of facts and whose motive is to incite the public against the administration. We wonder which human rights they are defending if they demand the scrapping of the Fund based on its nascent experience. Who defends the over 9 million beneficiaries who borrow from the Fund regularly?

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