Republic of Kenya | Central Bank of Kenya

Kenya National Financial Inclusion Strategy (2025 – 2028)

“Leveraging Digital Transformation and Financial Literacy to enhance Financial Inclusion”

December 2025

Kenya National Financial Inclusion Strategy (2025-2028)

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Acknowledgement

The National Financial Inclusion Strategy (NFIS) for 2025-2028 is a product of collaboration involving the Central Bank of Kenya (CBK), The National Treasury (TNT), State Department for MSMEs Development, State Department for Gender and Affirmative Action, Kenya National Bureau of Statistics (KNBS), Joint Financial Sector Regulators (Insurance Regulatory Authority (IRA), Capital Markets Authority (CMA), Retirement Benefits Authority (RBA), SACCOs Societies Regulatory Authority(SASRA), and safety net providers; Kenya Deposit Insurance Corporation (KDIC) and Policyholders Compensation Fund (PCF). Also involved in the Strategy formulation process were; Industry Associations including Kenya Bankers Association (KBA), Digital Financial Services Association of Kenya (DFSAK), Telcos including; Airtel and Safaricom, Competition Authority of Kenya (CAK), Institute of Certified Financial Analysts (ICIFA), FSD Kenya, Mastercard Foundation, Gates Foundation, State Department for Diaspora Affairs, AfricaNenda, Micro and Small Enterprises Authority, Association of MicroFinance Institutions and Development Partners.

We take this opportunity to sincerely thank the management of TNT and CBK for their guidance, funding and unwavering support to ensure the strategy formulation was successfully concluded. The stewardship was ably provided by: Dr. Kamau Thugge, CBS, Governor of the CBK, Hon. FCPA, John Mbadi, MBS, Cabinet Secretary, The National Treasury (TNT) and Deputy Governors, CBK, Dr. Susan Koech and Mr. Gerald Nyaoma. We also wish to thank Prof. Robert Mudida, Director of Research Department at the CBK; Mr. Cappitus Chironga, Deputy Director, Research Department at the CBK, Mr. Albert Mwenda, Director General, Budget, Fiscal and Economic Affairs, Mr. Ronald Inyangala, Director, Financial and Sectoral Affairs, National Treasury & Planning; for providing invaluable, support and guidance during the NFIS formulation. Special thanks to the NFIS Secretariat led by Dr. Isaac Mwangi of CBK for the formulation of the NFIS and coordination of NFIS activities.

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Abbreviations

AFI	Alliance for Financial Inclusion
AFI-GPF	Alliance for Financial Inclusion – Global Policy Forum
AI	Artificial Intelligence
AMFI	Association of Microfinance Institutions
AML/CFT	Anti-Money Laundering / Combating the Financing of Terrorism
API	Application Programming Interface
ATM	Automated Teller Machine
AU	African Union
BIS	Bank for International Settlements
CA	Communications Authority
CAK	Competition Authority of Kenya
CBK	Central Bank of Kenya
CBK-IMS	CBK Institute of Monetary Studies
CCD	Commissioner of Cooperative Development
CGS	Credit Guarantee Scheme
CMA	Capital Markets Authority
CRB	Credit Reference Bureau
DCPs	Digital Credit Providers
DFI	Development Finance Institution
DFS	Digital Financial Services
DLAK	Digital Lenders Association of Kenya
DPA	Data Protection Act
DPI	Digital Public Infrastructure
ESG	Environmental, Social, Governance
EAC	East African Community
FDPs	Forcibly Displaced Persons
FIAC	Financial Inclusion Advisory Council
FIs	Financial Institutions
FinAccess	Financial Access Household Survey
FSD Kenya	Financial Sector Deepening Trust Kenya
FSPs	Financial Service Providers
FSRs	Financial Sector Regulators
FPS	Fast Payment System
GDP	Gross Domestic Product
GOK	Government of Kenya
ICIFA	Institute of Certified Financial Analysts
ICT	Information and Communication Technology
IFAD	International Fund for Agricultural Development
IFRS	International Financial Reporting Standards
IRA	Insurance Regulatory Authority
JFSR	Joint Financial Sector Regulators
KBA	Kenya Bankers Association
KDIC	Kenya Deposit Insurance Corporation
KICD	Kenya Institute of Curriculum Development
KGFT	Kenya Green Finance Taxonomy
KNBS	Kenya National Bureau of Statistics
KPIs	Key Performance Indicators
KRA	Kenya Revenue Authority
KYC	Know Your Customer

M3	Broad Money Supply
MFHI	Multidimensional Financial Health Index
MFIs	Microfinance Institutions
MoA	Ministry of Agriculture
MoE	Ministry of Education
MoF	Ministry of Finance
MoICT	Ministry of Information, Communication and Technology
MoI	Ministry of Interior
MoY	Ministry of Youth
MNOs	Mobile Network Operators
MSMEs	Micro, Small, and Medium-sized Enterprises
MTP IV	Fourth Medium Term Plan
NFIC	National Financial Inclusion Council
NFIS	National Financial Inclusion Strategy
NGOs	Non-Governmental Organizations
NHIF	National Health Insurance Fund
NPL	Non-Performing Loan
NPS	National Payment System
NRB	National Registration Bureau
NSE	Nairobi Securities Exchange
NSSF	National Social Security Fund
NYS	National Youth Service
PCF	Policyholders Compensation Fund
PFMA	Public Finance Management Act
PGN	Policy Guidance Note
POCAMLA	Proceeds of Crime and Anti-Money Laundering Act
POS	Point of Sale
PPP	Public-Private Partnership
PSP	Payments Service Providers
PLWDs	Persons Leaving With Disabilities
RBA	Retirement Benefits Authority
SACCOs	Savings and Credit Cooperatives
SASRA	SACCO Societies Regulatory Authority
SDG	Sustainable Development Goal
SHA	Social Health Authority
SHIF	Social Health Insurance Fund
TCC	Technical Coordination Council
Telcos	Telecommunications Companies
TNT	The National Treasury
ToC	Theory of Change
TVET	Technical and Vocational Education and Training
TWG	Thematic Working Group
UFAA	Unclaimed Financial Assets Authority
UNHCR	United Nations High Commissioner for Refugees
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women
USF	Universal Service Fund
WB	World Bank
WE	Women Entrepreneurs

Definition of Terms

01. Access: Consumers' proximity to financial services providers' touch points such as a Head Office, branch or outlet, agent, Automated Teller Machine (ATM), and Point of Sale (POS), etc.

02. Credit Guarantee Scheme: An arrangement that allows a third party to assume part or all of the credit risk of loans granted by financial institutions to specific groups of borrowers, such as SMEs or youth, thereby encouraging lending.

03. Customer Centricity: Putting the customer at the centre of a business's strategy and decision-making process. This involves understanding customer needs, preferences, and behaviours to design and deliver products and services that truly meet their needs.

04. Digital Financial Services: Financial services delivered through a digital channel, such as mobile banking, digital payments and online loans.

05. Digital Public Infrastructure: Shared digital systems and platforms, such as a unified payments interface or a digital identity system, that enable seamless access to a wide range of public and private services.

06. Green Finance: The channeling of financial resources towards environmentally sustainable projects, promoting a transition to a low-carbon, climate-resilient economy.

07. Impact: The measurable long-term benefits of financial inclusion initiatives on individuals, households, businesses and the broader economy.

08. Interoperability: The ability of different payment infrastructures and financial service providers to interact seamlessly to enable a transaction to be processed and completed regardless of the specific service, device or system used by the payer and the recipient.

09. Financial Inclusion: A state where all people of working age (adults) and businesses have access to and use a comprehensive range of quality financial services and products that are relevant, affordable, secure and sustainable, delivered responsibly and conveniently, through diverse and suitable delivery models.

10. Financial Literacy: The knowledge, skills, attitudes and behaviours that enable individuals to make informed and effective decisions about their financial lives.

11. Market Conduct: Rules, regulations, and practices that govern how financial institutions interact with their customers. Its primary goal is to ensure a fair, transparent, and ethical relationship between providers and consumers.

12. Payment Service Provider: An institution authorized by the Central Bank of Kenya to provide payment services.

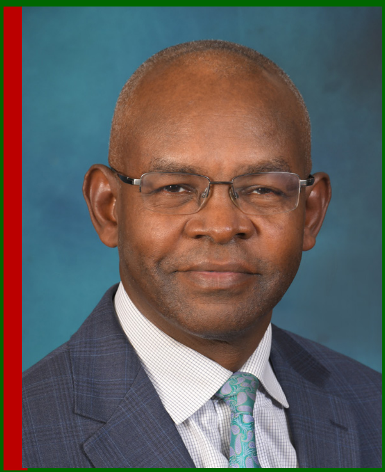
13. Quality: Transparency and affordability, usefulness, relevance and suitability, and sustainability of the financial service and product attributes to the consumers.

14. Usage: Actual uptake of financial devices and products by consumers to meet their needs, such as transactions, savings, credit, investment, insurance and risk management, etc. using diverse devices, delivery methods and channels.

15. Vulnerable Populations: This includes individuals with special needs, youth, women, rural populations, forcibly displaced persons and others who may be at a disadvantage in accessing and using financial services.

Foreword

Hon. FCPA JOHN MBADI, EGH
Cabinet Secretary, The National Treasury and Planning



DR. KAMAU THUGGE, CBS
Governor, Central Bank of Kenya

This National Financial Inclusion Strategy (NFIS) for 2025-2028 is a pivotal step in Kenya's journey towards enhancing access and usage of quality, affordable and reliable financial services delivered to improve financial wellbeing of Kenyans. The strategy is a culmination of extensive consultations of households and firms, collaborations, and a shared vision of a vibrant, efficient, stable and globally building competitive inclusive financial system among key stakeholders, including the Central Bank of Kenya, The National Treasury, financial sector regulators, government agencies industry associations, and development partners.

As a cornerstone of Kenya's economic development, financial inclusion helps in fostering equitable access to financial services to improve the livelihoods of individuals and businesses. The NFIS aims to deepen the penetration of financial services, enhance the usage of quality and affordable financial products, strengthen consumer protection, market conduct, financial literacy and financial capability. This is in addition to promoting inclusive green finance markets and rural agriculture. The NFIS seeks to also address the diverse needs of all Kenyans, particularly the underserved and vulnerable populations including; women, youth, forcibly displaced persons, persons with disabilities and MSMEs. The NFIS is anchored on six (6) pillars, namely;

- **Pillar 1:** Deepen penetration of Access to Financial Services
- **Pillar 2:** Enhance the Usage of Quality and Affordable Financial Products and Services
- **Pillar 3:** Strengthen Consumer Protection, Market Conduct and Financial Literacy
- **Pillar 4:** Develop and foster Inclusive and Sustainable Green Finance
- **Pillar 5:** Promote Rural Agriculture Finance
- **Pillar 6:** Improve Access to Finance for Women PWDs, Youth, MSMEs, Informal Sector & FDPs.

Each pillar is designed to address specific challenges and opportunities within Kenya's financial landscape, ensuring a holistic and inclusive approach to financial sector development.

The NFIS is closely aligned with Kenya's Vision 2030, which aims to transform Kenya into a rapidly industrializing, middle-income country providing a high quality of life to all its citizens by 2030. It is aligned to the objectives of the Fourth Medium Term Plan (MTP IV) 2023-2027, which focuses on economic transformation, social equity, and political stability. By integrating the goals of Vision 2030 and MTP IV, the NFIS is well suited to contribute to sustainable development and inclusive growth, ensuring that financial services are accessible to all segments of the population while guaranteeing the delivery of affordable, high quality, customer centric financial products and services to improve financial health. The NFIS objectives also resonates well with global standards, e.g., Financial Action Task Force (FATF), Committee on Payments and Market Infrastructures (CPMI), G20 United Nations Sustainable Development Goals (SDGs), various AFI Accords particularly the Maya Accord and San Salvador Consensus.

The successful implementation of the NFIS rests on the commitment and coordination of both public and private sector players. A robust governance structure, including the National Financial Inclusion Committee and the Technical Coordination Council, will oversee the implementation of the strategy, ensuring that it remains responsive to emerging trends and challenges. As we embark on this ambitious journey, we are confident that the NFIS will significantly contribute to Kenya's Vision 2030 and the broader Sustainable Development Goals. On behalf of the National Treasury and Planning and, I would like to express my sincere gratitude to all institutions and individuals involved in the formulation of the NFIS (2025-2028). These include the National Treasury, Ministry of Cooperatives & MSMEs Development, Financial Sector Regulators, Industry Associations, Telcos and Development Partners for their contribution, and FSD Kenya for the market assessment. Special thanks go to the Central Bank of Kenya for the overall coordination through the NFIS Secretariat. I invite all stakeholders to join us in the implementation, as we work together to create a vibrant, efficient, and inclusive financial system that benefits all Kenyans.

Hon. FCPA John Mbadi Ng'ongo, EGH
Cabinet Secretary,
The National Treasury and Planning

Dr. Kamau Thugge, CBS
Governor,
Central Bank of Kenya

Executive Summary

During the 2023 Global Policy Forum of the Alliance for Financial Inclusion (AFI-GPF) held in Manila, Philippines the Central Bank of Kenya team under the leadership of the Deputy Governor, Dr. Susan Koech noted the increasing role of National Financial Inclusion Strategy (NFIS) in developing a holistic and deeper financial sector across many jurisdictions. This quest for an all-encompassing financial inclusion strategy was also discussed and approved during the 14th Retreat of the Boards of Directors of the Joint Financial Sector Regulators held in November 2023. Subsequently, the CBK anchored the development of NFIS in its 2024-2027 Strategic Plan. This interest elevated the need to initiate the formulation of NFIS in Kenya with CBK taking the lead. To kick start the process, the CBK prepared a proposal which was presented at a workshop attended by over 60 stakeholders drawn from 30 institutions across The National Treasury (TNT), Ministry of Cooperatives & MSMEs Development, Financial Sector Regulators, Industry Associations and Development Partners on September 11, 2024, at the CBK-IMS. The Alliance for Financial Inclusion (AFI) through the Bank of Uganda, Bank of Tanzania and Central Bank of Nigeria shared knowledge on the formulation and implementation of NFIS strategies given the vast experiences in this area.

The main objective of the workshop was to seek broad-based support and stakeholder buy-in, generate feedback and solicit comments on how to improve the inclusivity, sustainability and deepen the penetration of financial services to Kenyans and small businesses. The objectives were met with commitments to fully participate in the formulation and implementation. The NFIS Secretariat incorporated the feedback and presented a revised proposal during an inter-agency technical working group workshop held in Naivasha on February 10-15, 2025 to progress the formulation of the strategy and a validation workshop held June 3-7, 2025. The current NFIS (2025-2028) has benefited immensely from these engagements, and from Development Partners and Financial Sector Deepening (FSD Kenya) market assessment report.

The NFIS 2025-2028 presents a robust tool for close collaboration, coordination, and cooperation among stakeholders to minimize duplication of efforts and ensure efficient use of resources in undertaking financial inclusion initiatives and guiding innovations and policies in Kenya. Additionally, the NFIS establishes a roadmap for expanding equitable access to and usage of quality financial products and services (payment, credit, insurance, pension, savings and investment) delivered in a sustainable way to match consumer needs. These has been assessed along the four dimensions of access, usage, quality and impact. The NFIS is also motivated by the need to increase the overall financial wellbeing of individuals and businesses through a multi-stakeholder, data-driven, and innovation-led approach. Currently, the country has witnessed increase in financial inclusion from 26.7 percent in 2016 to 84.8 percent in 2024. Despite this, the level of financial health has been on a downward trajectory falling from 39.6 percent in 2016 to 18.3 percent in 2024 thus exposing the underbelly of the financial exclusion gaps and low financial literacy levels. The exclusion gaps are more pronounced among the rural youth and women. The success of the NFIS depends on strong commitment and coordination between the public and private sectors, supported by effective policies, legal and regulatory frameworks, robust supervisory capacity, enabling digital infrastructure, adequate capacity and data systems, as well as comprehensive financial education and literacy initiatives. The monitoring and evaluation framework will leverage the set key performance indicators (KPIs) and set targets to measure progress and propose interventions.

Some of the gaps noted in the six pillars of the NFIS are:

Deepen penetration of access to financial services

- **Gap:** High exclusion rates remain among youth, rural populations, and forcibly displaced persons, driven largely by lack of IDs and weak access infrastructure.

Enhance the usage of quality and affordable financial products and services

- **Gap:** Despite access, actual usage of affordable, relevant financial products is low due to mistrust, high transaction costs, and lack of tailored offerings.

Promoting responsible finance

- **Gap:** Over-indebtedness, gambling, and weak consumer protection mechanisms undermine financial health, especially for youth and low-income households.

Develop and foster inclusive and sustainable green finance markets

- **Gap:** Green finance remains nascent with limited awareness, inadequate regulatory frameworks, and few tailored products for MSMEs and households.

Promote rural agriculture finance markets

- **Gap:** Agricultural finance is underdeveloped, with limited affordable credit, high risks, and weak financial products adapted to smallholder farmers.

Enhance access to finance for women, PWDs, FDPs, youth, MSMEs and other special groups.

- **Gap:** Persistent structural and social barriers—such as gender bias, limited collateral, and lack of disability-friendly financial products—constrain access for vulnerable groups.

The strategy emphasizes coordinated implementation through a robust governance structure. The apex organ of the strategy is the National Financial Inclusion Council (NFIC) co-chaired by CBK Governor and the CS/PS, The National Treasury (TNT) which provides oversight and strategic direction. The Council is supported by the Technical Coordination Committee (TCC) as the implementing organ. Thematic working groups comprising public and private sector actors will lead specific initiatives while The Central Bank of Kenya will coordinate the day-to-day activities through the NFIS Secretariat.

A comprehensive and effective Monitoring & Evaluation Framework motivated by the Theory of Change (ToC) will guide real-time performance tracking and course correction to ensure successful implementation of the Strategy. A bottom-up approach has been employed to map out initiatives that will be undertaken. The ToC ensures that the outputs and outcomes of the strategy are measurable through a set of elaborated indicators.

Vision Statement:

"To empower all Kenyans with access to and effective usage of a broad range of high-quality, impactful, and affordable formal financial products and services, delivered sustainably and responsibly to meet diverse consumer needs."

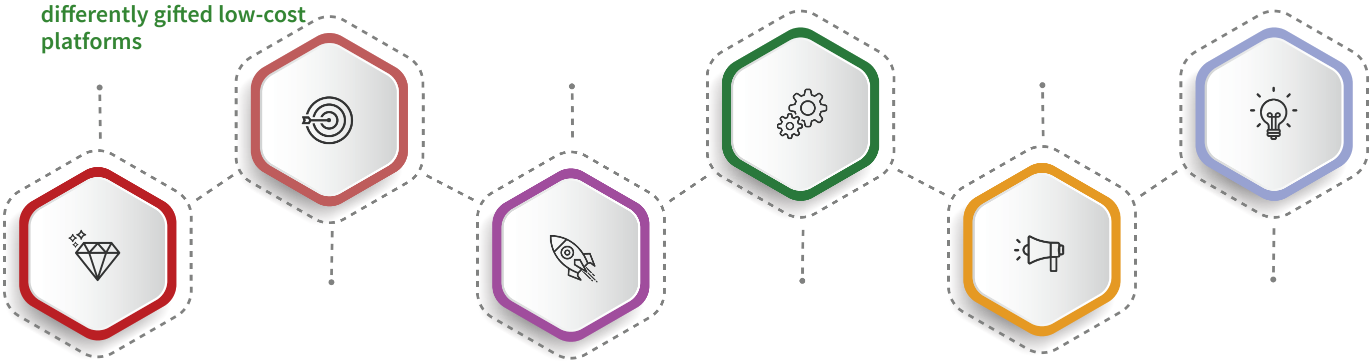
Mission Statement:

"Provide a coordinated and cooperative framework for advancing the financial inclusion agenda to meet the needs of all Kenyans"

The NFIS seeks to establish an effective coordination and cooperation framework to enhance the financial inclusion agenda in line with the Kenya Vision 2030 national development blueprint. In this regard, Kenya's NFIS strategy whose theme is, "Leveraging Digital Transformation and Financial Literacy to enhance financial Inclusion" is structured along 6 pillars namely.

NFIS Pillars:

1. Deepen penetration of access to financial services to reduce financial exclusion through expanded digital infrastructure and products, innovative products for visually impaired persons, interoperability, and other differently gifted low-cost platforms
2. Enhance the usage of quality and affordable financial products and services through the removal of legal, social and other barriers
3. Strengthen Consumer Protection, Market Conduct and Financial Literacy to foster financial health
4. Develop and foster inclusive and sustainable green finance markets
5. Promote rural finance for agriculture through improved access and tailored financial services, value chain financing and risk mitigation instruments
6. Improve Access to Finance for Women PWDs, Youth, MSMEs, Informal Sector & FDPs through inclusive product design and targeted outreach.



The formulation of the NFIS has also benefited immensely from the county pilot studies on Financial Inclusion, Financial Literacy and Economic Empowerment of women and youth which brought out gaps in Financial Inclusion priority areas and challenges associated with low Financial Literacy such as loss of funds due to cyber crime and other related risks.

The decision to conduct pilot financial literacy sensitization sessions is driven by the urgent need to empower women and youth with the knowledge and skills required to actively engage with formal financial systems. These groups continue to face distinct challenges that limit their financial inclusion, particularly in rural and marginalized areas. By equipping them with practical financial literacy, the pilot aims to bridge knowledge gaps and build confidence in managing personal and group finances.

Moreover, the training seeks to uncover and address context-specific barriers that hinder financial inclusion across different geographical settings—urban, peri-urban, and rural. Understanding these localized challenges is crucial for designing inclusive and effective financial literacy programs. The sessions will also serve to deepen participants' understanding of the range of formal financial services and products available to them, thereby encouraging a shift away from informal financial practices that often offer limited security and growth opportunities.

In addition to capacity building, the pilot will generate valuable data and insights on the financial behaviors, needs, and preferences of women and youth. This information will be instrumental in shaping the design and implementation of a national financial literacy initiative that is responsive to the lived realities of the target populations.

While every effort has been made to ensure the NFIS is exhaustive enough, the NFIS secretariat is keen on benchmarking with countries like Rwanda, Philippines, South Africa, Egypt among others who are advanced in the implementation of the NFIS.

1. Introduction

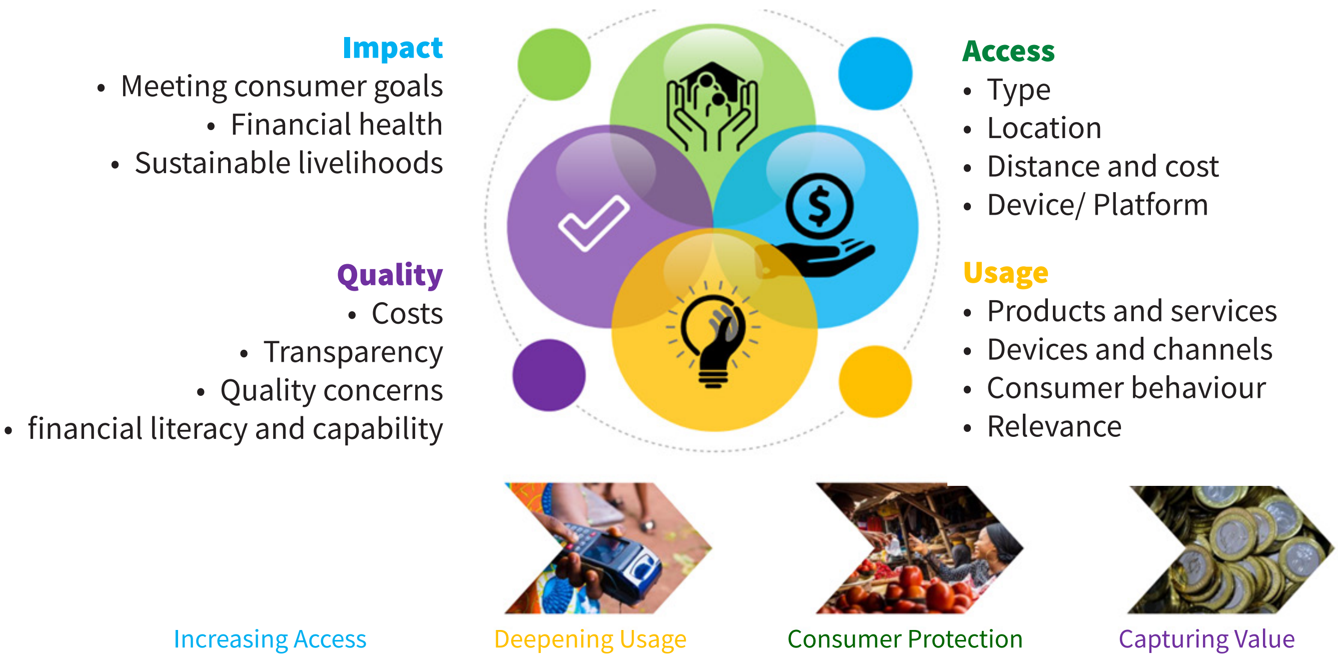
1.1 Background

Financial inclusion in Kenya may be defined as the provision of beneficial and appropriate financial services and products in a transparent, responsible, and sustainable manner that meets the needs of households and firms. This definition covers four lenses or dimensions of financial inclusion comprising: Access, Usage, Quality and Impact/ Welfare (Chart 1).

The role of financial inclusion in spurring inclusive growth and financial well-being cannot be overemphasized. Kenya's financial inclusion ranks high globally averaging 84.8 percent among Kenya's adult population. The market assessment report by FSD Kenya established the rapid increase in digitisation, driving innovation in savings, payments, credit, insurance and mobile financial services. This has significantly broadened outreach and bridged inclusion gaps- for example gender - but has yet to yield anticipated results for financial wellbeing. The attainment of the Sustainable Development Goals (SDG) is however pegged on equitable access to and usage of quality, affordable and timely financial products and services that match consumer needs. This objective is often hampered by disparities in financial inclusion along gender, age, region, livelihoods among others which point to inequalities in financial inclusion.

Several African countries are actively implementing their National Financial Inclusion Strategies (NFIS) with varied strategic areas of focus and stages of implementation. Tanzania is currently implementing its third NFIS (2023–2028), building on previous progress. Uganda is implementing its second NFIS (2023–2028) which emphasizes deepening financial inclusion by enhancing competitiveness and promoting a savings culture. Morocco launched its NFIS in 2019, prioritizing alternative financial models and digital payments. Zambia is on its first strategy (2024–2028), aiming for 85% financial inclusion. Nigeria's revised strategy (2020–2024) targets digital finance expansion and agent banking development.

Chart 1: Dimensions of Financial Inclusion



The full realization of equitable and sustainable development as envisioned in **Kenya Vision 2030**, the country's long-term development blueprint, depends on inclusive access to quality, affordable, and timely financial products and services that align with consumer needs. Vision 2030 identifies financial services as a key enabler for economic and social transformation, emphasizing the need for inclusive financial systems that leave no one behind. The Fourth Medium Plan (2023-2027) Financial Services Sector Plan (MTP IV), prioritises financial inclusion programmes and identifies the development and implementation of National Financial Inclusion Strategy (NFIS) as one of the intervention that directly supports Vision 2030 by addressing persistent disparities in financial inclusion across gender, age, region, and livelihoods.

These disparities hinder inclusive economic growth and deepen inequality. NFIS therefore seeks to catalyze inclusive development by ensuring that all Kenyans regardless of background can access and effectively use financial services to improve their well-being.

The real impact of the progress in financial inclusion is assessed using the financial health lens. Where there is a divergence between the level of financial inclusion and financial health status like is the case for Kenya, questions on the efficacy of the product range in meeting consumer needs and promoting inclusive growth emerge. In her first remarks as the United Nations Special Advocate for Financial Health, UNSGSA Queen Maxima expressed a similar unease with the situation globally:

"With 80 percent access to financial services, we have laid a solid foundation. We now want to ensure that people can use financial products and services that help them get a grip on their day-to-day income and expenses, that they can invest or save for long-term goals, that they can protect themselves from financial setbacks such as job loss or the effects of climate change, and that they have confidence in their financial future.[1]*"*

The Central Bank of Kenya (CBK) in collaboration with the Kenya National Bureau of Statistics (KNBS), Financial Sector Deepening Trust (FSD Kenya), Capital Markets Authority (CMA), Insurance Regulatory Authority (IRA), Retirement Benefits Authority (RBA), SACCO Societies Regulatory Authority (SASRA) and other stakeholders began incorporating financial health as a core element of policy design in 2016 to provide information on the outcome of financial inclusion in terms of the resilience of the population and its potential for growth. Financial health goes beyond the financial sector as people's resilience and growth also depends on performance of wider economic conditions such as finance for agriculture and green development, as well as access to services such as social protection, health and education. Since then, there is growing need to align financial health with the country's national development strategies, including Kenya Vision 2030, the Medium-Term Plan IV (MTP IV), Sustainable Development Goals (SDGs), and now the National Financial Inclusion Strategy (NFIS), 2025-2028. In addition, CBK is engaging with the World Bank and Bank for International Settlements (BIS) to align Kenya's financial health metrics with international benchmarks. This collaboration will enhance our capacity to adopt global best practices while responding to local needs. It is believed that among households can be improved through addressing the gaps in access, usage and quality of financial services (discussed in the subsequent chapters).

FinAccess Surveys conducted every 2–3 years, form the backbone of our monitoring framework of financial health. Through the Multidimensional Financial Health Index (MFHI), we track disparities in financial health across age, gender, geography, and income levels. Financial health is assessed along three lenses based on the ability of individual households to; manage day-to-day financial needs, absorb financial shocks and invest in long-term goals.

[1] Queen Máxima Appointed UN Secretary-General's Special Advocate for Financial Health: https://www.unsgsa.org/news/queen-maxima-appointed-un-secretary-generals-special-advocate-financial-health

i. ***Managing Day-to-Day Needs:*** Ensuring individuals and households can meet basic living expenses such as food, rent, and education without financial distress.
ii. ***Coping with Financial Shocks:*** The ability to absorb unexpected financial shocks through savings, insurance, or alternative income sources.
iii. ***Investing in the Future:*** The capacity to plan for long-term financial goals, such as retirement, education, or business expansion.

The Kenya MFHI was developed as an experimental index using data from the FinAccess 2016 survey. The index is aggregated using nine indicators reflecting the three lenses detailed above. A person is classified as being financially healthy if they meet at least six (6) out of the nine (9) indicators. The 2024 FinAccess Survey reports that only 18.3 percent of adults in Kenya are financially healthy down from 39.4 percent in 2016. The financial inclusion financial health gap underscores the growing disconnect between access and usage of financial services and individual financial wellbeing. We are compelled to move beyond traditional inclusion metrics to interrogate the quality, affordability, and usability of financial services. The National Financial Inclusion Strategy considers financial health as an outcome of all efforts and initiatives in all the six strategic objectives.

1.2 Development Process of NFIS in Kenya

Despite absence of a National Financial Inclusion Strategy (NFIS), Kenya has made considerable progress in reducing financial exclusion through enhanced access to financial service channels; strategic alignment between regulators and industry to expand financial touch points, appropriate pricing with a bias towards transaction-based pricing, fintech revolution, tailored innovations, evolving regulatory frameworks **(Annex I)** and a more responsive approach to shocks in the financial system. Despite this progress, significant fragmentation in the way financial inclusion efforts are coordinated have been identified.

The need for a National Financial Inclusion Strategy to coordinate efforts and reduce fragmented approaches for maximum impact was identified after the 2023 Global Policy Forum of the Alliance for Financial Inclusion (AFI-GPF) held in Manila, Philippines. The Central Bank of Kenya team led by the Deputy Governor, Dr. Susan Koech noted the increasing role played by having a standalone National Financial Inclusion Strategy (NFIS) for a holistic financial sector widening and deepening. This quest for an all-encompassing financial inclusion strategy was also proposed during the 14th Retreat of the Boards of Directors of the Joint Financial Sector Regulators held in Diani in November 2023.

To progress the agenda, the Central Bank of Kenya developed a concept note on the formulation of a National Financial Inclusion Strategy (NFIS). This was followed by an NFIS stakeholder consultative workshop on the formulation on September 11, 2024, at the CBK Institute of Monetary Studies. The workshop which brought together sixty (60) participants drawn from more than thirty (30) institutions that cut across The National Treasury, Ministry of Cooperatives & MSMEs Development, Financial Sector Regulators, Industry Associations, Development Partners, and other regional Central Banks generated buy in and feedback which was used to firm up the concept note and shape the roadmap for the formulation of the draft NFIS. A second stakeholder consultative workshop bringing together over 20 institutions with an expanded mandate on financial inclusion was held on February 10-15, 2025, to progress the NFIS formulation.

The NFIS therefore provides a platform for close collaboration, coordination, and cooperation among stakeholders to minimize duplication of efforts and ensure efficient use of resources in undertaking financial inclusion initiatives. It will also assist in guiding innovations, policies and initiatives by various stakeholders, thus offering a well-coordinated approach to foster financial inclusion.

The NFIS is organized along six pillars drawn from the identified priority areas including: Deepen penetration of Access to Financial Services, Enhance the Usage of Quality and Affordable Financial Products and Services, Strengthen Consumer Protection, Market Conduct and Financial Literacy, Develop and foster Inclusive and Sustainable Green Finance and Promote Rural Agriculture Finance and Improve Access to Finance for Women PWDs, Youth, MSMEs, Informal Sector & FDPs. Stakeholder engagement will be broadened during implementation to include other financial institutions, financial technology providers, and to public policy research institutions such as KIPPRA and AERC whose research can inform the assessment, refinement and implementation of policy. These are discussed exhaustively in Chapter 3.

1.3 Economic Overview

Kenya's population stood at 47.6 million in the 2019 population and housing census and is estimated at 52.4 million in 2024 (KNBS, 2024). The Real Gross Domestic Product averaged 5.7 per cent between 2021 and 2024, expanding by 4.7 percent in 2024. This growth was notable across most sectors. The impressive performance was higher than the global growth rate which averaged 3.3 percent in 2024 from 3.1 percent in 2023 on account of remnant effects of COVID-19, Russia-Ukraine conflict and tightened monetary policies in several countries. As of 2025, Kenya remains the largest economy in East Africa with a nominal GDP of US $131.67 billion, accounting for about 25.7 percent of the region's total GDP.

The nominal GDP grew by 12.0 percent from KES 13,489,642 billion in 2022 to KES 15,108,806 billion in 2023. Nevertheless, Kenya's average growth over the five-year period to 2024 stands at approximately 4.46 percent, slightly below the EAC's average. Kenya's GDP is projected to grow by 5.4 percent in 2025, driven by services and household consumption. The GDP share for the services and agriculture sectors averaged 61.3 percent and 21.8 percent respectively. The EAC is expected to maintain its growth trajectory, with projections indicating a rise to approximately 5.7 percent in 2025–2026.

Broad money supply (M3) grew by 19.9 percent in 2024 to KES 6,044,533 million from KES 5,042,419 million in 2022. Inflation rate in Kenya averaged 7.4 percent in 2023 with transport, food and non-alcoholic beverages and housing, water, electricity and gas accounting for 12.2 percent, 9.7 percent and 8.1 percent respectively. Domestic credit stood at KES 7.0 trillion in 2023 up from KES 6.2 trillion in 2022. The number of mobile money subscriptions continued to record impressive growth standing at 66.7 million accounts in 2023 with its total mobile money transfer value amounting to KES 7.9 trillion **(Table 1).**

Table 1: Selected Macroeconomic Indicators

Description	Unit	2019	2020	2021	2022	2023
Population	(Million)	47.6	48.8	49.7	50.6	51.5
Growth of GDP	(Percent)	5.1	-0.3	7.6	4.9	5.6
GDP at Market Prices:	(KES Mn)	10,237,727	10,715,070	12,027,662	13,489,642	15,108,806
Money Supply (M3)	(KES Mn)	3,897,552	4,414,885	4,689,439	5,042,419	6,044,533
Total domestic credit	(KES Mn)	4,161,320	4,869,627	5,566,513	6,246,348	7,041,087
GDP Per capita (Constant):	(KES)	183,970	178,892	188,976	194,627	194,627
GDP Per capita (Current):	(KES)	215,078	215,078	219,492	241,907	266,473
Consumer Price Index: (Feb 2019=100)	-	103.2	108.7	115.3	124.2	133.7
Total mobile money transfer	(KES Bn)	4,346.8	5,213.5	6,868.8	7,908.8	7, 953.9
Mobile money subscriptions - Number	(No '000)	54,566.0	61,409.0	65,085.0	65,737.2	66,745.7

Source: KNBS, 2024

1.4 Digital Economy

Since the launch of M-Pesa in 2007 and the development of Kenya's financial technology sector, Kenya's economy has increasingly digitised, as reflected in the use of delivery channels, mobile money, payments (see Table 1), e-commerce, m-finance, agri-tech, and the digitisation of supply chains. The digital economy is driven by data, transaction data, alternative data, the consolidation of data into big data sets and critically the commercialisation of data. Future policies on access to the national payment system, data aggregation, data sharing, open data, digital public goods, and the commercialisation of data will impact on the development of future financial services, products and use cases and in de-risking financial services in sectors such as agricultural finance, and in ensuring that consumers are protected and empowered to leverage their data assets in their interests. There is need to foster the integration of digital ID authorisation and consent, interoperable payment systems, and data-sharing frameworks for holistic national digital payment infrastructure (DPI) integration strategies. This would ensure the country is aligned with top-performing countries like India and Peru who have integrated digital ID, interoperable payment rails, and open data standards to drive inclusion and innovation. This can be achieved through the development of a roadmap for digital ID adoption, universal interoperability, and open finance /data-sharing standards. This is aligned with the ministry of ICT Digital Economy blue print 2023-2027 and the Digital Economy plan going up to 2032.

1.5 Financial Technology

By providing financial services to the underbanked and unbanked, Kenya's fintech revolution has significantly accelerated financial inclusion. In 2024, more than 84.8% of adults had access to formal financial services, up from 26.7% in 2006, according to the Central Bank of Kenya (CBK). The broad use of mobile money services is primarily responsible for this impressive growth.

Kenya's success in fintech supports its goal to include more people in the formal financial system. In 2024, $638 million was invested in fintech. This isn't just money, it's a plan to break down barriers to financial access using technology focused on users' needs.

Companies like M-Kopa and Oye create simple tools that grow with their customers. They show how fintech can help many people access services like credit, savings, payments, and insurance.

These tools are especially useful in farming. They lower costs and risks for small farmers who usually can't get help from banks.

But to make this work long-term, Kenya needs strong policies that protect users, improve cybersecurity, and teach people how to use digital tools. That way, everyone can benefit from fintech.

Use-case based innovation tailored to match customer needs has driven usability and scale. This includes agent banking, merchant services, m-commerce, e-commerce, and digital credit. The technology underpinning fintech innovations has evolved from mobile payments to Application Programming Interfaces (APIs), cloud computing, biometrics technology, and Big Data and Data Analytics. Emerging technologies that are increasingly being adopted by the financial sector include Artificial Intelligence (AI), Machine Learning (ML), and Distributed Ledger Technology (DLT). The exploration of open finance frameworks will also enhance fintech offerings. The financial technology revolution started in Kenya with mobile money which has rapidly expanded into a leading financial services industry promoting innovation and scalable services.

The fintech revolution has evolved through stages:

1. **Channels and signups,**
2. **Use case development**
3. **Development of a fintech industry – *Silicon Savanna* and**
4. **Expansion of embedded financial services powering m-commerce and e-commerce.**

The rapid development of fintech leads to the necessity of frequent policy reforms. For example, at the consumer level ensuring appropriate financial conduct of market players and strengthening cybersecurity and fraud prevention; and at the industry level to promote interoperable systems, technology education, and immigration and investment policies.

2. Financial Inclusion Landscape

2.1 Introduction

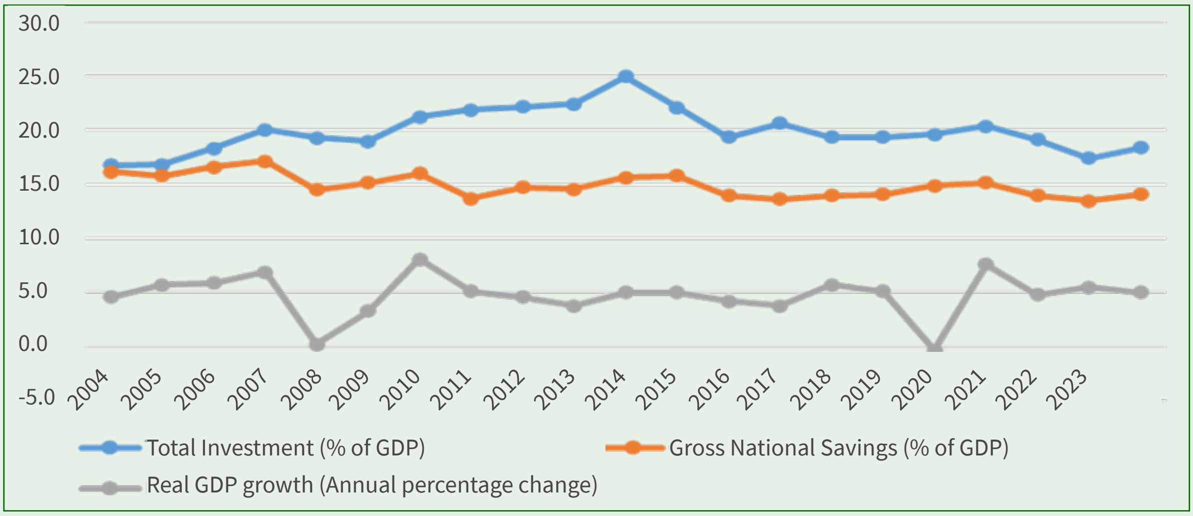
Kenya has consistently emerged as a regional and global leader in financial inclusion, driven by rapid technological advancements, innovation led public-private partnerships, and progressive regulatory reforms. The FinAccess Household Survey (2024) shows that 84.8% of Kenyan adults now have access to formal financial services up from 83.7% in 2021, a significant rise from just 26.7% in 2006. This transformation is largely attributed to the widespread adoption of mobile money platforms, the growth of agency banking, digital credit, and SACCOs. Despite this impressive progress, the financial inclusion landscape remains uneven, with significant disparities in the usage, quality, and impact of services. While mobile money usage is high, only 44.1% of adults use more than one formal financial product, just 36% regularly save with formal institutions, and insurance usage (including NHIF) is 22%, pointing to gaps in financial literacy, product relevance, and affordability. Additionally, the rapid expansion of digital credit has raised concerns about over-indebtedness and consumer protection, as many borrowers take on multiple short-term loans for consumption without adequate safeguards. Gender, age, geographic, and socio-economic disparities persist: for example, while 86.8% of men have access to formal financial services, only 81.4% of women do, and youth (18–25 years) are often excluded from tailored savings, credit, and insurance products despite their high mobile money use. This evolving landscape highlights the need for a more inclusive, equitable, and impact driven approach to financial inclusion, in alignment with Kenya Vision 2030 and the Fourth Medium-Term Plan (MTP IV).

a. Overview of Financial Services Sector

The financial services sector in Kenya comprise the banking system (commercial banks, mortgage finance companies, microfinance banks, foreign exchange bureaus, and money remittance companies), insurance sub-sector, capital markets sub-sector, pensions sub-sector, SACCO sub-sector, hire purchase companies, Development Finance Institutions (DFIs), Microfinance Institutions (MFIs) of different institutional forms, Digital Apps financial services firms, and the payments ecosystems including financial market infrastructures. The sector is regulated and supervised by various Government Ministries, Departments and Agencies including the Capital Markets Authority (CMA), Central Bank of Kenya (CBK), Insurance Regulatory Authority (IRA), Retirements Benefits Authority (RBA), SACCO Societies Regulatory Authority (SASRA), the Commissioner of Cooperative Development (CCD), Competition Authority of Kenya, and Registrar of Companies, among others.

The financial service sector development plays a key role in the nation's development agenda by mobilising savings to meet the investment needs aimed at achieving the national aspirations envisaged in the Kenya Vision 2030 including a broad-based growth averaging more than ten percent. Recent data shows that the country's savings and investment has been below target, with Gross national savings as a share of GDP averaging 15 percent in the last two decades against a minimum target of 30 percent thus falling below the investment currently at 20 percent of GDP. This predisposes the country to inevitable reliance on external borrowing to finance the gap **(Chart 1).**

Chart 1: Savings and Investment in Kenya (Percentage of GDP)

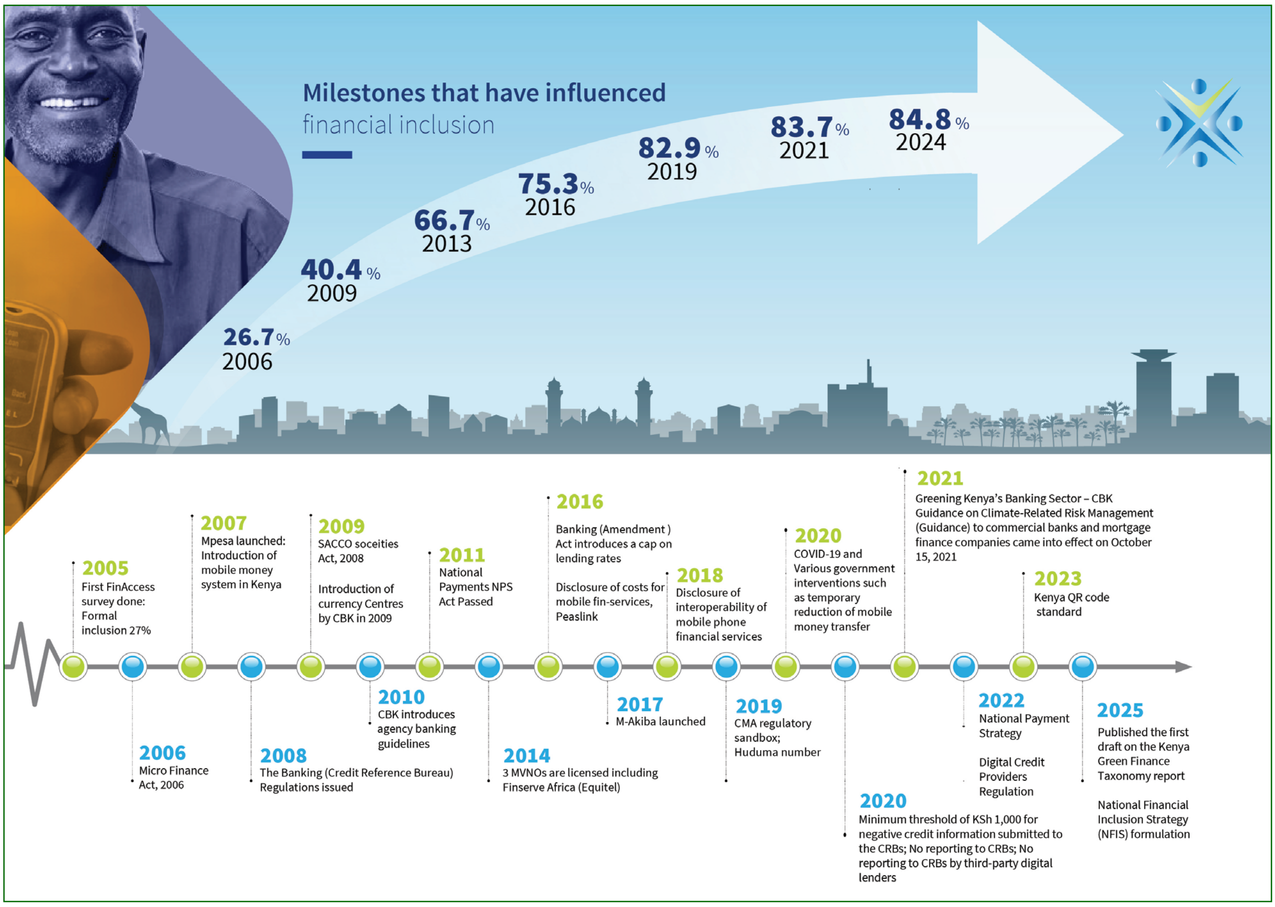


Source: IMF, 2024

2.2 Kenya's Financial Inclusion Journey

Kenya's financial inclusion journey has been shaped by a range of interrelated factors that must be recognised and preserved in the development of a Financial Inclusion Strategy aimed at expanding access, increasing usage of quality financial services, and achieving lasting impact **(Chart 2).**

Chart 2: Kenya's Financial Inclusion Journey



Source: CBK, 2024

Accessibility has been driven by the expansion of service channels: Since 2001, financial access has been enabled by the rollout of diverse delivery channels, including bank branches and mobile-van branches (2002–2006), mobile money (2007), microfinance institution branches (2008), agent banking (2010), and the emergence of financial technology (from 2012 onward).

For the insurance sub-sector, the microinsurance regulations, 2020, the bancassurance regulations, 2020 and the National Agricultural Insurance Policy, 2023 shaped the journey towards inclusion in insurance services. As of December 2024, the Central Bank of Kenya (CBK) reported over 381,000 active agents and 82.4 million registered mobile money accounts. In that month alone, these accounts processed more than KES 309 billion cash-in transactions and KES 753 billion cash-out transactions. Additional infrastructure included 2,289 ATMs, 48,653 POS machines, and 12.9 million cardholders (across prepaid, debit and credit cards). A critical driver of financial inclusion has been the alignment of interests between policymakers and financial service providers in expanding access points. The introduction of mobile money and agent banking facilitated account opening, thereby increasing financial access while supporting institutional growth and profitability. Additionally, the shift towards transaction-based pricing orchestrated by Equity Building Society's in 2002 made banking more affordable, spurred significant institutional growth, and contributed to a sector-wide transition toward transaction-based models (Coetzee et al.). M-Pesa also reduced merchant service costs, with fees capped at 0.55% and no more than KES 200 per transaction, boosting both merchant adoption and usage. The significance of pricing is recognized in the Kenya National Payments Strategy 2022–2025 which envisages "a system that meets customer needs, especially among the financially excluded, in a cost-effective manner".

Pandemic responses highlighted the role of policy in advancing inclusion: During the COVID-19 pandemic, under CBK's guidance, mobile money providers waived fees for M-Pesa transactions below KES 1,000 and introduced other customer-friendly changes. These measures led to a 97 percent increase in the value of M-Pesa transactions between October and December 2020 (FSD Kenya, 2020). The CBK recorded further significant impacts from these policy changes between February 2020, and December 2021 as shown in **Table 2.**

Table 2: Impact of COVID-19 policy responses on M-Pesa Transactions

	Volume (+%Δ) February 2020- December 2021	Value (%) February 2020- December 2021
Person to person	135	84
Pay bills	143	344
Till numbers	263	136
E-wallets to bank accounts	573	849

Source: National Payments Strategy, 2022-2025

The COVID-19 pandemic response illustrates the importance of appropriate and timely policy responses, with the CBK noting "it is clear that CBK measures have been effective in supporting customers, businesses and the economy cope with the shocks brought about by the pandemic" (National Payments Strategy Box 3.3). At the same time, measures to support small businesses- for example, through loan restructuring and tax waivers, failed to reach the majority of MSEs who suffered disproportionately during the pandemic, with long term consequences for inclusive growth. (MSE tracker survey 2020). Kenya's evolving regulatory framework has also facilitated financial inclusion in many, but not in all respects. The GOK expanded access to financial services through a succession of Acts, Guidelines and Regulations **(Annex 1).**

Measures to enhance financial access included the regulation of Microfinance Banks (2006) and Savings and Credit Cooperatives (SACCOs) (2008), which formalised the microfinance and SACCO sectors. Other key developments included the introduction of mobile money (2007), agent banking (2010), payment systems regulations (2011) and proposed e-money regulations (2013). However, financial conduct regulations and guidelines have been inconsistently applied across multiple regulators. In 2018, the National Treasury announced plans to implement a regulatory framework, which would establish a Financial Conduct Authority (Bowmans, 2018). Although this framework was ultimately not implemented and many financial conduct issues remain unresolved.

In 2020, following public complaints about misuse of the credit information sharing mechanism and poor customer complaints redress, CBK withdrew the approval of unregulated digital and credit-only lenders as third-party credit information providers to Credit Reference Bureaus (CRBs). In response to these concerns, the CBK Act was amended, and the attendant Digital Credit Providers Regulations were gazetted, in March 2022 to address market conduct issues and restore order in the sector. Since then, further amendments (2024 Business Law Act amendments) have been made to strengthen the regulatory framework, close identified gaps, and align with emerging industry practices and developments in the non-deposit taking credit space.

The SACCO Societies Regulatory Authority (SASRA)has developed a Policy and Regulatory framework for shared services (2025) undergoing approval. Under this framework a secondary SACCO has been formed to provide shared services to SACCOs. The SACCO Societies (Amendment) Bill 2020 and the SACCO Societies (Amendment) Bill 2021 were developed to provide for SACCO shared services and centralized liquidity facility necessary for ease of operational efficiency and to operationalize the Deposit Guarantee Fund. The Bills were approved by the Cabinet for processing to parliament for consideration and approval.

The Government rolled out the Credit Guarantee Scheme (CGS) by entering into risk-sharing agreements with Participating Financial Institutions (PFIs) on 8th December, 2020, to support MSMEs to access quality and affordable credit. CGS is anchored on the Public Finance Management (Amendment) (No. 2) Act, 2020, and the Public Finance Management (Credit Guarantee Scheme) Regulations, 2020. The Government allocated CGS a seed capital of KES 3 billion in 2020/2021 and as at December 2024, the Scheme had unlocked credit worth KES 6.743 billion to targeted MSMEs in 12 sectors of the economy across the Counties.

Regional Inclusion Planning

To address uneven progress across counties, the Strategy will introduce a County Inclusion Scorecard. This will track key indicators such as access, usage, quality, and financial health at the county level. Baseline data will be established, with annual reporting to promote accountability, guide resource allocation, and encourage competition among counties. County governments, working with CBK, KNBS, and private sector partners, will be required to set measurable targets aligned with NFIS pillars.

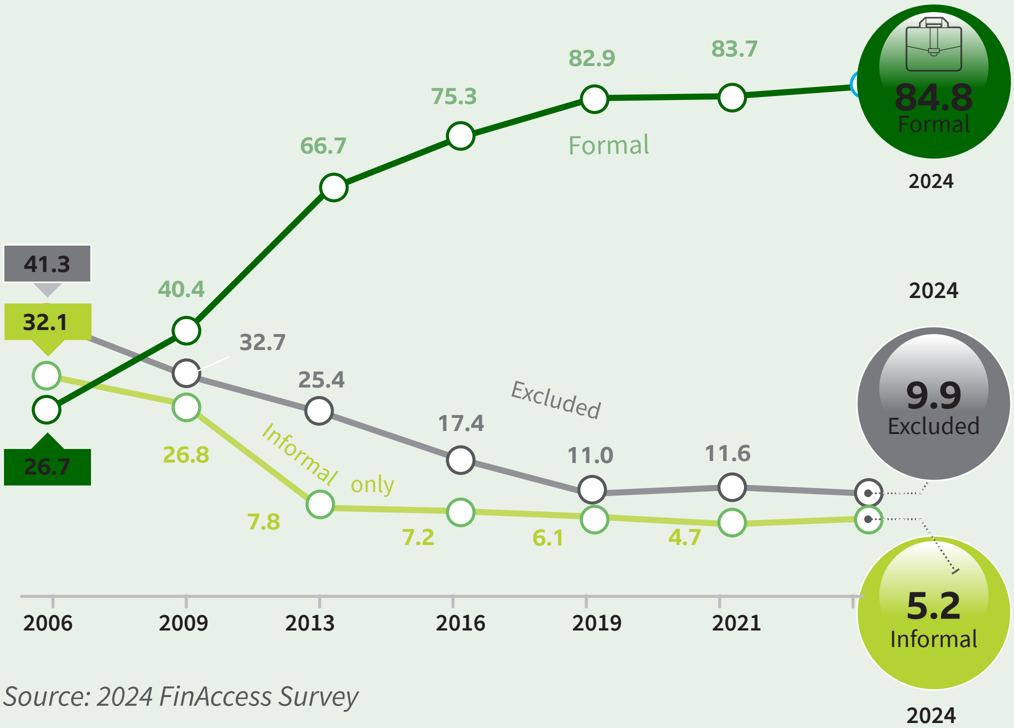
To promote development of credit guarantee in the country, a Credit Guarantee Policy was approved by Cabinet in 2025; and the Central Bank of Kenya Act was amended through the Business Law (Amendments) Act to allow for licensing and regulation of credit guarantee business by CBK. Further, the Government is transitioning the Credit Guarantee Scheme into a Kenya Credit Guarantee Company (KCGC) as a limited liability company with minority Government ownership and majority ownership from the private sector.

Separately, in 2021, the CBK issued Climate Risk Guidelines aligned with evolving global best practices in climate risk management. These guidelines prompted stakeholders—led by the Kenya Bankers Association (KBA)—to develop and implement a national Climate Risk Management Framework. In April 2025 officially launched the IFRS S1 on Sustainability Reporting and IFRS S2 on Climate Related Disclosures reporting templates for its member banks.

2.2.1 Access to Financial Services

Financial access captures the number of adults (individuals) with an active account held in their own name (primary access) in the last twelve (12) months with at least one financial service provider in either the formal or informal category. Individuals accessing the services through someone else's account (secondary access) are therefore not considered when developing the access strand. Kenya's financial system has undergone rapid transformative changes since 2007 driven largely by technology and innovations that leapfrogged financial access to 84.8 percent in 2024 from 26.7 percent in 2006 (Financial Access Household Surveys). Despite the tremendous growth, the 15.2 percent exclusion remains a concern. Consequently, the adult population completely excluded from access to any form of financial services and products has narrowed to 9.9 percent in 2024 from 41.3 percent in 2006 **(Chart 4).**

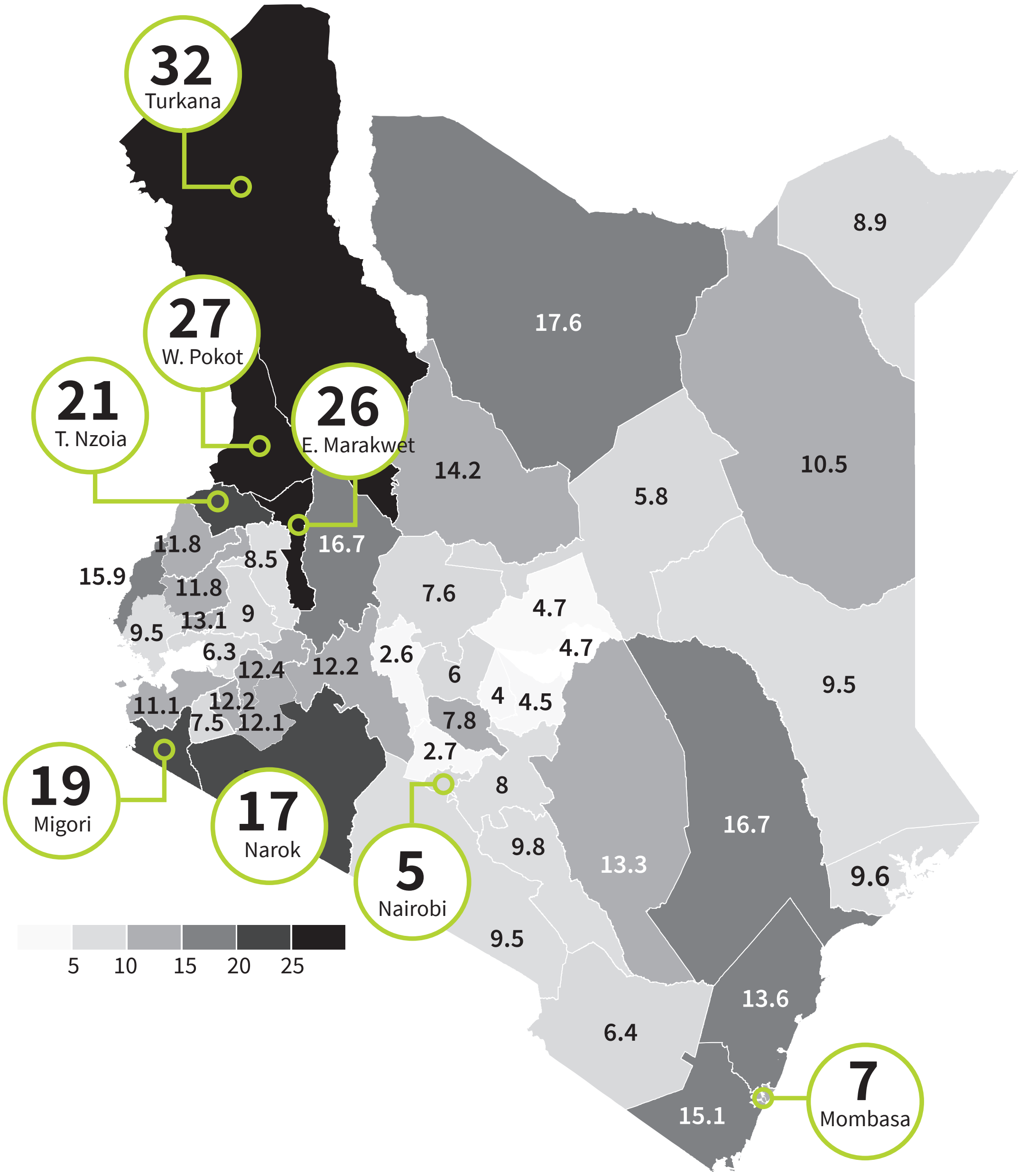
Chart 4: Kenya's Access Strands



Source: 2024 FinAccess Survey

Relatedly, there is significant variation in access across counties. Progress towards financial inclusion at county level is also not linear, with some counties falling further behind and others leaping ahead. The 2024 FinAccess Household survey showed that the urbanized and economically vibrant counties such as Nairobi and Mombasa led in financial access due to better infrastructure, higher education levels, and proximity to financial institutions. Conversely, the survey highlighted significant gaps in access among more remote or underserved counties, often due to poor infrastructure, lower financial literacy, and fewer financial service providers **(Chart 5).** Thus, understanding the drivers of these dynamics is critical for addressing broad-based financial inclusion and reducing inequalities across the country.

Chart 5: Exclusion by County

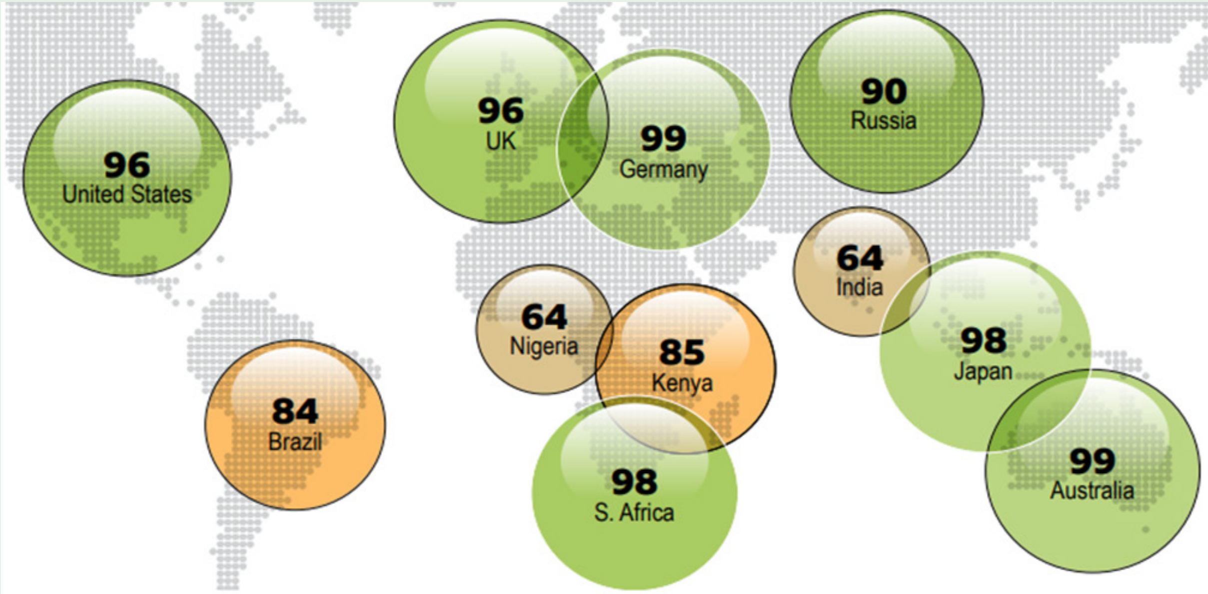


Source: FinAccess Household Survey 2024

Global and Regional Comparison

Other countries in the region have been undertaking demand-side surveys of financial access (Finscope) to track developments in the financial inclusion landscape and the uptake of financial services. Kenya is ranked among the top five African countries reporting high levels of financial inclusion. The same applies across the globe with Kenya trailing the developed economies closely **(Chart 6).**

Chart 6: Financial Inclusion Status: Global comparison



Source: 2024 FinAccess Household Survey and FinScope Surveys

Financial Exclusion Gaps

This impressive financial inclusion outcome is, however, not uniform across the country because available data shows that diverse challenges and gaps have persisted over time in terms of usage, quality and impact of financial products and services. In this regard, there is need for strategies and policies to address these various financial challenges and gaps, including – age, gender, education and rural-urban gaps; quality aspects such as pricing transparency and appropriateness and meeting the needs of consumers, among others, as indicated by the FinAccess Household Surveys. Financial inclusion is not an end but an enabler of helping people improve their livelihoods and welfare, while creating wealth to enhance the national development.

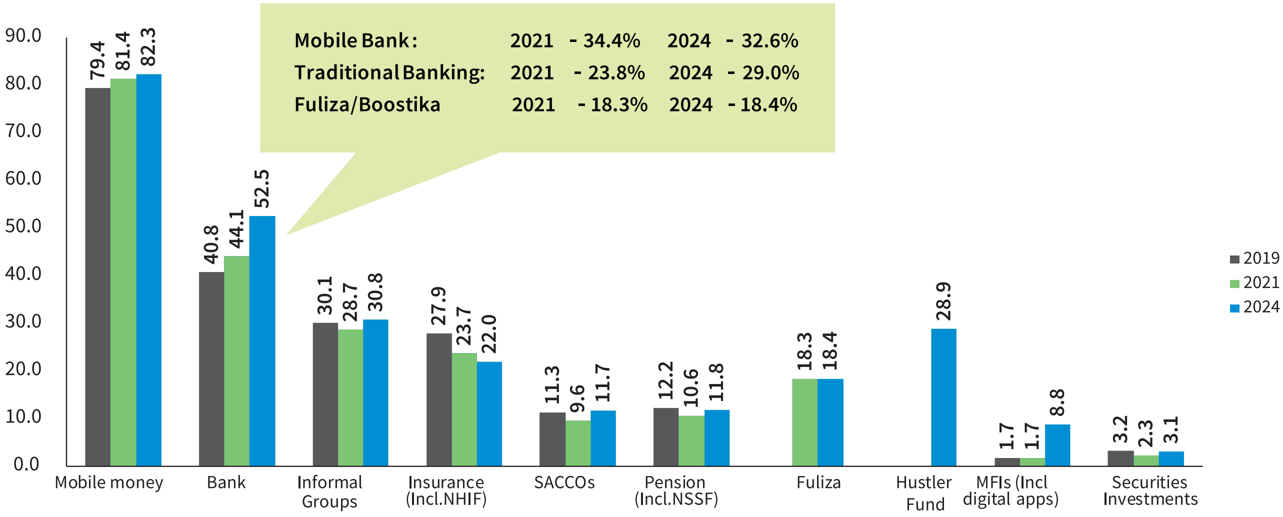
2.2.2 Usage of Financial Services

The usage dimension was developed to address the weaknesses associated with the access dimension in explaining the actual usage of financial services. The usage dimension examines how often, and effectively financial services or solutions e.g. savings, credit, insurance, payment, pension e.t.c. registered in one's own name in the past twelve months, or indirectly through someone else's account have been utilized. The dimension measures: how regularly and frequently people use financial providers, services or products; how long (duration) people take using these financial providers, services and products, and reasons for use or non-use of certain providers, services or products.

Usage of Financial Services and Products by Providers

While the majority of providers have not significantly broadened their outreach since 2019, a rise in the use of mobile banking has driven overall bank use; there has also been significant uptake of the government's recently launched Financial Inclusion (Hustler Fund), and 'Buy-now-pay-later' services (captured under MFIs and digital apps). The 2024 FinAccess Survey highlights shifting financial preferences in Kenya, with mobile money usage rising to 82.3 percent, driven by expanded services, improved infrastructure, and greater adoption for government services and e-commerce **(Chart 8).**

Chart 8: Usage of Financial Services and Products by Providers (Percent)



Source: 2024 FinAccess Survey

Mobile Money

Since the advent of mobile money in 2007, Kenya has experienced a financial revolution that positioned mobile money as the single most transformative tool for financial inclusion. From just 27 percent in 2006, access to mobile money has risen to 82.3 percent of adult population actively using the service as per FinAccess 2024. It has enabled low-income groups, especially women, youth, and rural populations, to access essential financial services including payments, savings, and credit often without needing a traditional bank account. Mobile money has also played a significant role in supporting micro and small enterprises, expanding access to remittances, and enhancing household resilience.

However, recent data shows signs of plateauing growth in mobile money access and usage. Most users still rely primarily on basic services like person-to-person transfers, with limited uptake of advanced offerings such as digital credit, insurance, or savings. This is attributed to issues such as limited interoperability, high transaction costs, low financial literacy, and product designs that do not reflect the realities of underserved groups. Additionally, rural areas face infrastructure constraints, while barriers like device ownership, digital skills gaps, and socio-cultural limitations continue to hinder women's full participation in the digital economy. These gaps highlight the need for targeted and coordinated efforts to deepen usage and address exclusion within the ecosystem.

To build on past success and support the next phase of growth, there is need to prioritize initiatives that expand mobile money's relevance and inclusivity. These include enhancing interoperability to reduce costs and increase convenience, promoting public sector integration (e.g., social protection and agricultural payments), improving agent networks, and driving innovation in products tailored to the informal economy. Financial literacy, consumer protection, and trust-building remain essential, particularly for vulnerable groups. As mobile money remains central to Kenya's financial inclusion agenda, its evolution will be critical in achieving the NFIS vision of a more inclusive, accessible, and resilient financial system for all.

Overall Savings and Credit Uptake

Credit

Credit to the private sector increased by 13.5 percent in 2023 (KNBS, 2024). Demand side data also revealed positive growth in the overall credit consumption in 2024, reaching 64.0 percent, up from 60.8 percent in 2021, though the pace of growth has slowed. This increase may be attributed to the rise of appbased digital loans and mobile money credit. With high mobile money penetration and a growing number of digital credit providers in Kenya, these platforms provide a convenient and accessible way for adults to secure loans. Despite this progress, non-performing loans posed risks to the financial sector with the ratio of gross NPLs to gross loans declining to 12.3 percent from 13.3 percent in 2022 even as the average lending rate increased to 13.2 percent in 2023 from 12. 3 percent in 2022 as Kenya continued tightening its monetary policy stance. FinAccess shows that use of credit by MSEs and households is increasingly for consumption and emergencies rather than investment. This has implications for inclusive growth.

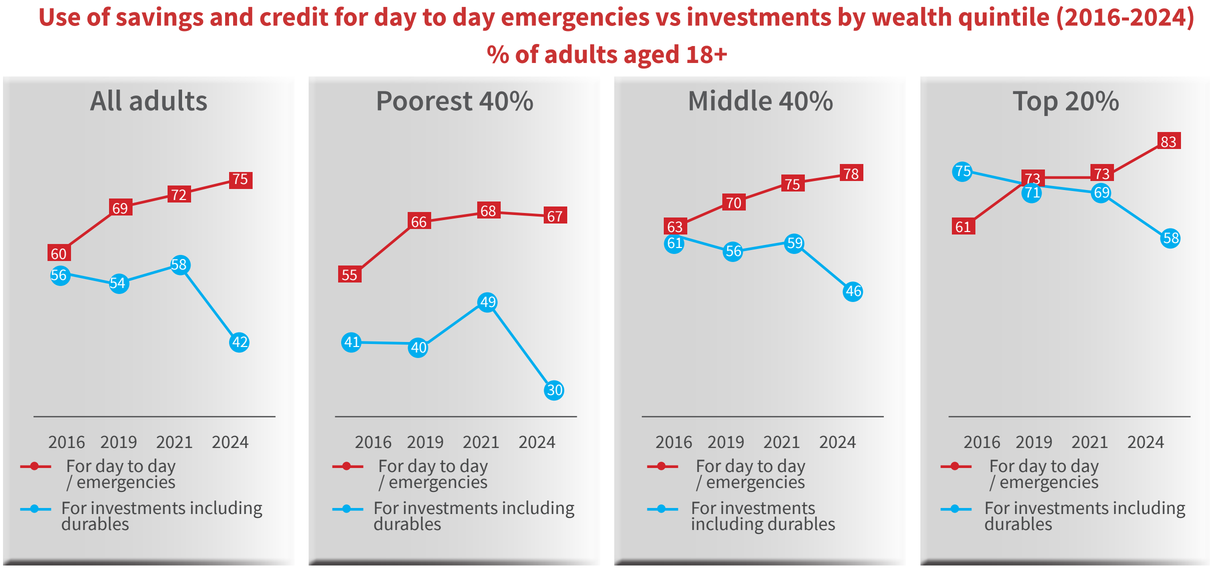
Savings

The net savings in Kenya increased from KES 717.3 billion in 2022 to KES 839.7 billion in 2023 marking a 17.1 percent increase on account of growth in pension funds, insurance, SACCOs e.t.c (KNBS, 2024). The demand side data however pointed to a decline in the number of household savers from 74.0 percent in 2021 to 68.1 percent in 2024, as household prioritized meeting day to day needs. Survey respondents highlighted several key reasons for saving. The majority, 35.9 percent, save for day-to-day needs, followed by 27.7 percent who save for emergencies. Education needs accounted for 9.9 percent of savings, while 12.6 percent save for retirement. Business-related savings were reported by 7.5 percent, while 10.1 percent save simply for safekeeping. A smaller portion, 4.3 percent, save with the goal of purchasing land, property, or house improvement. These findings suggest that the savings culture is primarily driven by immediate needs, with a strong emphasis on day-to-day expenses and emergency preparedness **(Chart 9).**

Chart 9: Uptake of Credit Against Savings Rate (%)

Source: 2024 FinAccess Survey

Chart 10: Use of Credit and Savings



Savings and Credit Cooperatives

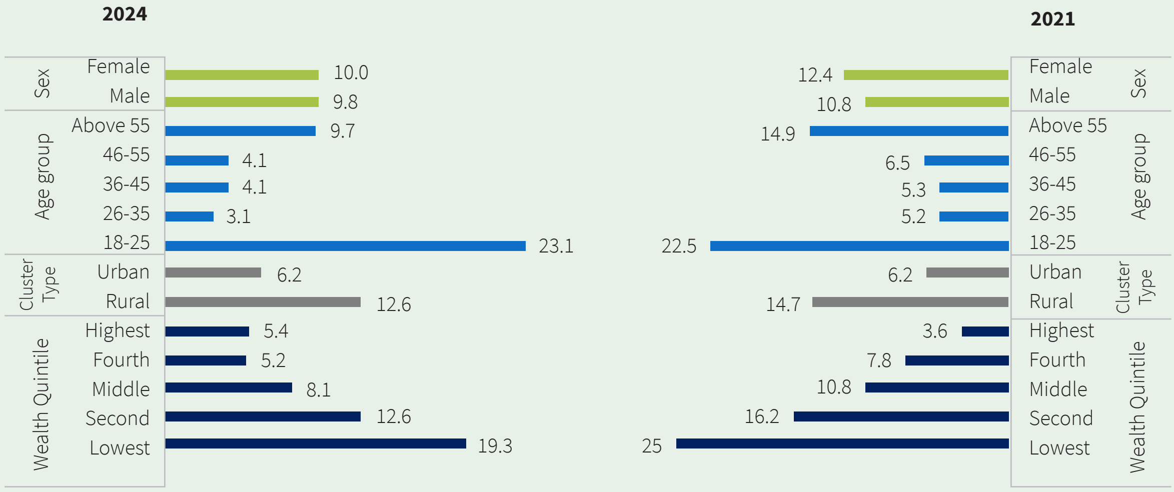
The Regulated SACCO industry continued to grow as evidenced by total assets, total deposits, membership, and gross loans. For instance, the total assets for regulated SACCOs grew to KES 1.08 trillion in the year 2024 from KES 971.96 billion in 2023. Membership grew to 7.26 million in 2024 up from 6.48 million in 2023 while gross loans grew to KES 842 billion in 2024 while total deposits of KES 750.63 billion in 2024. Notwithstanding the SACCO industry's growth rates, the sector experiences several challenges that impede the penetration of SACCO financial services. These barriers include lack of adequate infrastructure such as safety net, low financial literacy, delayed remittances from employers that hinder savings and loan repayments, and membership who depend on weather driven economic activities. Thus, any deliberate efforts to enhance financial deepening and inclusion targeted at enhancing financial literacy and awareness and addressing consumer protection concerns among the SACCO members will be appreciated.

The overall SACCO uptake of financial services among Kenyan adults improved from 9.6 percent in 2021 to 11.7 percent in 2024 due to relatively lower interest rate on loans in SACCOs during the high-interest rate regime. Digital channels (e.g., USSD, apps, pay bills, POS, and ATMs) emerged as the most preferred usage mode at 70.6 percent, surpassing traditional SACCO usage (branches and headquarters) at 66.1 percent. Notably, rural users showed a higher preference for traditional channels at 75.1 percent compared to 51.7 percent in urban areas, reflecting differing levels of access and technology adoption. Additionally, older users (above 55 years) demonstrated a strong inclination toward traditional channels, with 80.2 percent opting for traditional usage versus 41.8 percent for mobile channels, highlighting a significant generational gap in technology adoption. Traditionally, SACCO members primarily accessed services at SACCO headquarters, a practice now standing at just 1.1 percent as the sector has embraced the [PO1] technological revolution. SACCOs have adopted modern service delivery channels such as agency banking, internet platforms, and mobile technologies, significantly transforming member interactions.

Women and Youth

Despite the reduced gender gap, the 2024 FinAccess data revealed pronounced disparities in access to financial services by residence and age with the rural youth dominating the excluded category. For example, 23.1 percent (over 20 percent) of the 18–25-year-olds in 2024 were totally excluded relative to 22.5 percent in 2021. The excluded rural dwellers were also found to be more than the urban dwellers **(Chart 7).**

Chart 7: Demographic profile of the financially excluded (Percent)



Source: 2024 FinAccess Survey

A disaggregation of the 18–25-year-olds excluded population revealed that a sizeable proportion (45.6 percent) resided in rural areas making them more vulnerable since financial outlets in rural areas are fewer. The age group also dominated the population ineligible to participate in financial markets due to lack of phones (36.5 percent) and identification cards (47.2 percent) **(Table 3).**

Table 3: Categorisation of the excluded population

Exclusion Category	Residence		Phone Ownership		ID	
Age group	Rural	Urban	No	Yes	No	Yes
18-25	45.6	19.6	36.5%	28.6%	47.2%	18.0%
26-35	7.0	1.9	6.5%	2.4%	1.7%	7.1%
36-45	5.5	2.2	6.1%	1.6%	0.8%	6.9%
46-55	3.6	0.8	3.1%	1.3%	0.7%	3.7%
Above 55	12.4	1.5	12.8%	1.1%	1.1%	12.8%
Overall	**74.0%**	**25.9%**	**64.1%**	**35.9%**	**51.5%**	**48.5%**

Source: 2024 FinAccess Survey

The SACCO societies are critical players in enhancing financial inclusion due to their wider network which stretches to far flung rural areas without access to banking facilities. The SACCOs also provide affordable credit without physical collateral but based on the guarantorship model. However, the women and youth have not fully patronized financial services offered by the SACCOs. Some of the reasons for the slow uptake, especially by youth, is the fact that the SACCO model where borrowing is pegged on savings for a minimum period. Youth may not be patient enough to save for over six months to qualify for credit. In addition, the delivery channels should be innovative enough to attract their participation. Women on the other hand are viewed to be disciplined savers and should be encouraged to patronize the credit facilities to development.

The Microfinance Sector

Over the years the microfinance sector has undergone significant transformation, influenced by regulatory shifts, technological advancements, and evolving consumer behaviours. The sector remains integral to Kenya's financial inclusion strategy. By providing tailored financial products to underserved populations, MFIs bridge the gap between formal financial institutions and the unbanked by offering products tailored to the needs of the lower of the pyramid, to ensure a more inclusive and resilient financial ecosystem.

The MFI sector is segmented into two- Microfinance Banks regulated by the CBK and the Non-deposit taking microfinance institutions. To this end, the CBK has licensed fourteen Microfinance Banks and out of which, one (1) holds a community microfinance bank license, while thirteen (13) have nationwide microfinance bank license. The microfinance banks market share is based on a weighted composite index consisting of assets, deposits, capital, number of active deposit accounts and active loan accounts. Microfinance banks are classified into three peer groups namely large, medium and small.

Non-deposit Taking microfinance institutions (MFIs) are pivotal in advancing financial inclusion in Kenya's rural areas, particularly among women, youth, and smallholder farmers. By offering tailored financial services without the complexities of deposit-taking, these institutions provide accessible credit solutions that empower marginalized communities and stimulate economic growth of the rural and marginalized. By leveraging collective responsibility and social cohesion, non-deposit credit providers have enhanced financial inclusion and empowerment of communities traditionally excluded from formal banking systems.

Beyond providing credit, MFIs emphasize the importance of financial literacy and business development programs. These initiatives empower clients with financial literacy and education skills and hands-on experiences on important aspects of business and financial management such as budgeting, saving, insurance, responsible borrowing, consumer protection. This holistic approach ensures that clients not only have access to financial resources but also possess the knowledge for effective utilization, informed decision making and for building financial resilience.

Despite their critical role, MFIs face a number of challenges potentially limiting the sector's growth and outreach. They include;

- Regulatory Complexities: Navigating complex regulatory frameworks, especially for smaller institutions, can be burdensome, requiring substantial resources for compliance.
- Licensing and Compliance Costs: The costs associated with obtaining and maintaining licenses are high, potentially limiting the sector's growth and outreach.
- Financial Sustainability: Limited access to capital and high operational costs can strain the resources of MFIs, affecting their ability to expand or sustain operations.
- Client Risk and Credit Management: High default rates due to the unstable incomes of clients, who are frequently involved in informal sectors, pose significant challenges.
- Technological and Infrastructure Constraints: Limited technological adoption and infrastructure issues, especially in rural areas, can hinder the effective operation of MFIs.

The Association of Microfinance Institutions is the business Association for microfinance providers in Kenya. The current membership of AMFI-K is 83 distributed as; 14 Microfinance Banks, 64 Non-deposit taking MFIs, 3 Wholesale lenders and 1 Micro-insurance provider.

The Association of Non-Deposit Taking Credit Providers of Kenya (ANDTCPK), formerly DFSAK and originally DLAK, is the leading representative body for digital-first and non-deposit taking credit providers in

Kenya. Established in 2019, the Association brings together fintechs, digital lenders, asset financiers, and other innovative credit providers to promote ethical standards, responsible innovation, and inclusive access to finance. It has played a pivotal role in transforming Kenya's credit landscape by enabling instant mobile lending, disbursing over KES 500 billion in loans, and empowering more than eight million Kenyans—particularly small businesses and individuals in the informal sector.

As the sector evolved, ANDTCPK became instrumental in shaping policy and regulatory frameworks. The landmark 2024 Business Laws Amendment Act, which unified all non-deposit taking credit providers under a single regulatory category, was championed by the Association. This consolidation has enhanced oversight, ensuring that all providers operate under consistent licensing, consumer protection, and governance standards. Today, ANDTCPK collaborates closely with the CBK and other stakeholders to enforce compliance, promote transparency, and advance financial literacy. These efforts align with Kenya's Vision 2030 and the SDGs, positioning the Association as a key player in driving inclusive and sustainable financial sector growth.

Despite their impact, Non-Deposit Taking Credit Providers (NDTCPs) face several challenges that could hinder financial inclusion. High default rates, elevated interest costs, and short repayment periods strain borrowers—particularly MSMEs and informal businesses. The sector also grapples with regulatory compliance costs and concerns over data privacy, predatory lending, and over-indebtedness. Nevertheless, NDTCPs remain essential in bridging credit gaps, especially for underserved populations. Their digital platforms offer flexible, accessible loans tailored to the needs of the informal economy, supporting sectors like transport, trade, and construction. Even during crises like the COVID-19 pandemic, they provided vital liquidity to small businesses. By continuously innovating and promoting responsible lending, NDTCPs contribute significantly to economic resilience and the formalization of Kenya's informal sector.

Despite being prudentially regulated, SACCO industry still lacks adequate infrastructure required to assure stability of the market I order to spur the necessary confidence for uptake of financial services. Key to this is lack of a safety net -the Deposit Guarantee Fund (DGF) which is expected to be a compensation fund in unlikely SACCO failure as well as a resolution mechanism to deter failure. While the Deposit Guarantee Fund is established in the SACCO Societies Act of 2008, sections 55-61, it has not been operationalized due to legal and policy constraints such as conflicting clause in the nomination of trustees and lack of moratorium clause to cushion against immediate depletion of the fund. Proposed amendments to the SACCO Societies Act, 2008, to facilitate the operationalization of the Fund has been considered and approved by the cabinet approval awaiting submission to the national assembly.

Insurance

The Kenyan insurance sector is positioned for reform and growth, balancing between steady expansion and ongoing challenges in achieving broader insurance inclusion. While the industry has made significant progress with insurance premiums increasing from KES 227.9 billion in 2019 to KES 361.0 billion in 2023, insurance penetration has improved only marginally, rising from 2.34 percent in 2019 to 2.39 percent in 2023 (Insurance Regulatory Authority, 2023). The industry assets as at the end of 2023 amounted to KES 1.06 trillion a growth of 10.6 percent from 956.87 billion. The government introduced a raft of reforms in the health insurance, leading to a transition from the National Hospital Insurance Fund (NHIF) to the Social Health Authority (SHA).

According to the 2024 FinAccess Household Survey, insurance accessibility, excluding the National Health Insurance Fund (NHIF), has increased steadily from 5.5% in 2019 to 6.3% in 2024. However, a significant risk protection gap exists, with 70.5 percent of households lacking insurance coverage. Primary insurance access, including NHIF, declined from 27.9 percent to 22.0 percent from 2019 to 2024, while only a smaller proportion (7.5 percent) enjoy secondary insurance access as dependants. This could be attributed to the fact that most Kenyans are employed in the informal sector where incomes are irregular. Conventional insurance requires fixed regular premium payments; failure to pay may lead to policy lapses which further disincentivizes these individuals from purchasing insurance. Additionally, the survey highlights a widening gap in insurance access, with women facing greater exclusion than men. Similarly, youth aged 18-25 years continue to face limited access to insurance.

Exclusion from insurance markets predisposes vulnerable households to financial instability thus exacerbating social inequalities. Some of the barriers include:

Affordability: Cost remains the most cited obstacle, with 76.2% of survey respondents identifying affordability as the primary reason for not accessing insurance, (FinAccess 2024 Household Survey). This underscores the urgent need for affordable insurance solutions tailored to low-income households.

Lack of Awareness: According to FinAccess 2024 Household Survey, 23.4% of individuals reported lack of understanding of insurance products, highlighting a gap in insurance literacy. This challenge is particularly pronounced among those aged above 55 years and rural populations.

Geographic Barriers: Findings of the FinAccess Household Survey, 2024 indicated that limited access to insurance services in rural areas is exacerbated by the absence of insurance providers, leading to significant disparities between urban and rural insurance coverage. Urban populations exhibit higher insurance access rates, further entrenching regional inequalities.

Cultural and Religious beliefs; Some communities view insurance as unnecessary. Religious beliefs in some instances conflict with conventional insurance models thus posing a challenge to uptake of insurance products and services.

Pricing: The Insurance Regulatory Authority (IRA) faces challenges in enforcing pricing controls due to legal constraints. Insurance companies may underprice premiums to attract customers, leading to unsustainable business practices and market instability. Underpricing may result in insurers being unable to meet their obligations, increasing the risk of insolvency and eroding public trust in the industry.

To foster inclusive insurance and address the barriers and challenges requires a targeted, multi-faceted strategy. Some of the policies recommended for inclusion in the National Financial Inclusion Strategy include:

1. **Strengthening Financial Literacy Initiatives;** These initiatives are crucial for empowering individuals to make informed financial decisions. Through collaborative efforts among insurance companies, financial institutions, and educational bodies, significant strides are being made to enhance financial literacy across the country. There is a need for continued focus on education, accessibility, and cultural sensitivity as the key to overcoming existing challenges and fostering a financially literate society.
2. **Innovative Product Development;** The Insurance industry is embracing innovation which is driven by technological advancements and a shift towards customer-centric solutions. Insurers are increasingly leveraging digital platforms, data analytics, and innovative models to develop products that cater for the evolving needs of the population. Microinsurance in Kenya provides low-cost insurance products tailored for low-income individuals, covering areas like health, agriculture, and funeral expenses. The sector is evolving and has seen growth, with increased product offerings and innovations such as mobile-based services and weather-indexed insurance.
3. **Leveraging Digital Financial Solutions;** The integration of digital financial solutions in the industry is enhancing accessibility and efficiency particularly for underserved populations.

4. **Strengthening Public-Private Partnerships (PPPs);** Such partnerships are increasingly pivotal in transforming Kenya's insurance landscape, particularly in enhancing accessibility, affordability, and inclusivity. These collaborations are instrumental in achieving the government's objectives of Universal Health Coverage (UHC) and expanding insurance penetration among underserved populations in the country.
5. **Advanced Embedded Insurance Solutions;** These include Integration of insurance products into Financial Services, Partnerships with mobile platforms, utilization of artificial intelligence in detecting fraud among others.
6. **Exploring Emerging Frontiers and regulatory and Policy Reforms;** Changes in regulatory framework including Insurance (Amendments) Act 2023 and Social Health Insurance Act 2023, aim to enhance inclusivity, affordability and accessibility of insurance. Through strategic partnerships, innovative product offerings, and supportive policies, the sector is poised for sustainable growth. Addressing challenges related to digital literacy, data privacy, cybersecurity, and climate risks will be crucial to realizing the full potential of these emerging frontiers.

By implementing these strategic priorities, the Insurance Regulatory Authority (IRA) can drive meaningful insurance inclusion in Kenya, ensuring equitable access and financial protection for all citizens. These interventions will contribute to a resilient and inclusive financial ecosystem, bridging insurance gaps and fostering socio-economic stability.

Pensions

The Kenyan retirement benefits industry has demonstrated consistent stability, experiencing no significant disruptions in recent years. This stable environment has fostered increased confidence, leading to a notable rise in participation in retirement schemes. Currently, pension coverage has reached 26 percent of the workforce, and total industry assets have grown to KES 2.2 trillion, representing approximately 14 percent of Kenya's GDP as of December 2024.Recent growth has been fueled by the continued implementation of the NSSF Act of 2013 which has seen growth in member and employer contributions.

Despite its stability and steady growth, the Kenyan retirement benefits industry continues to struggle with low pension coverage in the informal sector. A large proportion of informal sector workers remain excluded from formal retirement savings mechanisms. Disaggregated demand side data also reveals important demographic disparities. Pension usage is higher in urban areas compared to rural ones. By gender, 16.1 percent of men reported using pension products compared to just 7.7 percent of women, a pattern consistent with broader labour market trends in Kenya, where male employment rates are higher. Pension usage is also concentrated among individuals aged 26 to 55, aligning with the typical working-age population. Furthermore, pension uptake increases with wealth, indicating the need for more inclusive and accessible products to serve lower-income groups. These gaps undermine long-term financial security for a significant portion of the population and pose a major obstacle to pension coverage growth. Other barriers include Cost barriers, mounting unremitted contributions, which erode trust in the system, low awareness of the importance of retirement saving, especially in rural areas, and regulatory barriers that create obstacles for financial institutions seeking to serve underserved populations.

To address these challenges, several targeted initiatives have been introduced, including the Kenya National Entrepreneurs Savings Trust (KNEST), the Tax Amendment Laws of 2024, and the National Retirement Benefits Policy passed in the same year. These efforts aim to extend pension coverage by offering structured platforms for micro-entrepreneurs and encouraging self-employed individuals to save for retirement.

Achieving broad-based and meaningful inclusivity will however require continued action across several key areas. These include: -

1. Support the development of customized retirement savings products - Tailor pension products to suit the needs of informal sector workers, such as using mobile-based micro-pension platforms.
2. Enhance financial literacy - Implement nationwide campaigns to educate the public on the importance of saving for retirement.
3. Leverage digital financial services - Use technology (e.g., mobile money, digital platforms) to increase access to pension services and improve efficiency.
4. Streamline regulations - Simplify and harmonize regulatory frameworks to:
   - Lower entry barriers for new pension providers, encouraging market growth and innovation.
   - Encourage investment diversification into higher-return assets like private equity and infrastructure making them more attractive to savers.

Capital Markets

According to the Economic Survey 2025, the total number of shares traded increased significantly by 31.8 per cent to stand at 4,937.5 million shares. The value of shares traded in 2024 increased by KES 17.7 billion, to KES 106.0 billion. The Nairobi Securities Exchange (NSE) 20 Share Index increased to 2,010.7 points in 2024, up from 1,501.2 points in 2023. There was a notable 34.8 per cent increase in the total value of Market capitalization from KES 1,439.0 billion in 2023 to KES 1,939.7 billion.

The number of licensed institutions in capital markets operations rose from 210 in 2023 to 247 in 2024. The increase was primarily attributed to an increase in number of licensed Collective Investment Schemes from 36 to 55 in 2024. Total bond turnover more than doubled from KES 644.0 billion in 2023 to 1,544.4 billion in 2024 due to increased bond trading.

It is further noted that there was an increase in access to capital markets, growing from 2.3 percent in 2021 to 3.1 percent in 2024. This positive trend indicates that more Kenyans are becoming aware of and engaging with investment opportunities. However, the gender gap in access of capital markets is increasing, while younger individuals (18-35 years) have increased their participation in capital markets and yet older populations have experienced a decline in overall participation, suggesting that the investment landscape is evolving in ways that affect different groupings in unique ways and therefore products and services must adapt accordingly. Regional gaps also remain a critical issue, with certain counties showing much higher levels of capital market participation than others.

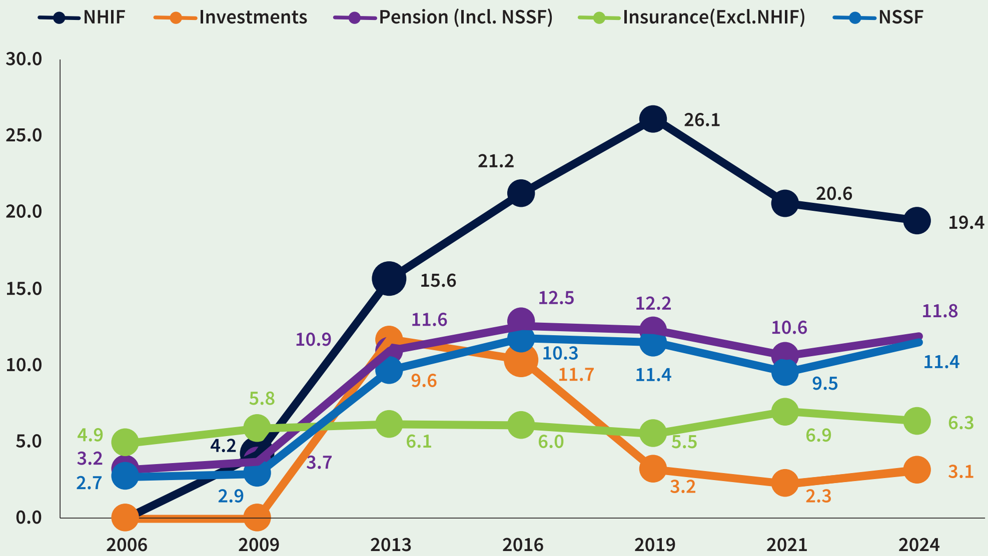
While participation in traditional securities like shares and government bonds has seen a slight decline, there is an increasing interest in alternative investment options such as mutual funds, unit trusts, and online forex/currency trading. Technology is playing an increasingly pivotal role in shaping investment behaviors, with more Kenyans accessing capital markets through online and mobile platforms. This shift has particularly benefited younger, tech-savvy individuals who are more comfortable with digital financial services.

To further improve the performance of Kenyan capital markets, the Capital Markets Authority should continue to prioritize implementing targeted segmented initiatives to enhance capital market knowledge and awareness in untapped regions. This includes continuing to develop and implement more robust targeted education and awareness programs for women and youth, addressing their specific capital markets investment needs. This is further complemented by promoting the continuous use of technology in the delivery of capital markets services. On the other hand, investor protection measures could be strengthened by further streamlining the complaint resolution process, enhancing market surveillance activities, and enforcing regulations to ensure fair and transparent market practices.

Investment in securities saw a slight increase, partly driven by the introduction of mobile trading apps like Dhow CSD and Dosikaa, along with improved returns on money markets. The Dhow CSD launched in September 2023 by CBK has transformed Kenya's financial markets through enhanced operational efficiency and expansion of digital access, market deepening for broader financial inclusion, and improved monetary policy operations. It has improved domestic and foreign investor access to the Kenyan capital market. Investments in capital markets remain relatively low at 2.1 percent. This includes shares and stocks, treasury bills and bonds. This preference indicates that traditional financial instruments remain a core focus for investors. Online forex follows at 0.5 percent, reflecting a niche interest in speculative trading. Digital apps and mutual funds, at 0.2 percent and 0.2 percent, respectively, show relatively lower adoption, suggesting limited engagement with these platforms and products. Money market funds have grown considerably, driven by increased awareness, favourable returns, and government efforts to support financial inclusion. In the period ended December 31, 2024, the total assets under management by the CIS amounted to KES 389.2 billion up from KES 56.8 billion in 2018.

The overall low percentages point to an opportunity to promote alternative investment channels and diversify investor participation in the financial markets **(Chart 11).**

Chart 11: Insurance, Pension and Investment Usage



Source: 2024 FinAccess Survey

Safety Net/ Deposit Protection Providers

Deposit insurance is a fundamental pillar of financial stability, providing a safety net for depositors. The impact of deposit insurance can be assessed through four key dimensions: access, usage, quality, and overall impact on financial stability. In the Kenyan context, access and usage of financial services require increased perceived safety and reliability of banking institutions, especially where mobile banking is widely used. The quality of financial services in Kenya is affected by concerns over fraud, unethical lending practices, and cyber risks in mobile banking. The deposit insurance must be aligned with strong consumer protection measures.

In Kenya, the Kenya Deposit Insurance Corporation (KDIC) is the Resolution Authority contributes to maintain financial stability through protecting depositors while ensuring the health of the banking sector. The Deposit Insurance Scheme comprises 52 members constituted as 37 Commercial Banks, 14 Microfinance Banks, and 1 Mortgage Finance Institution, all regulated by the Central Bank of Kenya. The Deposit Insurance Coverage Limit is KES 500,000 per depositor per institution. The deposit base increased by 4 percent to KES 5,772.9 billion in March 2025, from KES 5,525.3 billion in March 2024. The insured deposits were 14 percent of the total industry deposits as of March 2025, which is below the best practice requirements of at least 20%. The scheme insures 99 percent of the total 77.9 million deposit accounts in the banking industry.

The strategies seeking to address the shortcomings of ensuring depositors' safety and creating public confidence in the banking industry include:

1. Coverage limit Review: Reviewing the value of protected deposits from the current KES 500,000.
2. Risk Minimization: Strengthen the early intervention resolution framework to proactively mitigate bank failure.
3. Public Awareness: Implement deposit insurance literacy initiatives to enhance awareness of the deposit insurance system.
4. Trust Account Framework: Revolutionize consumers protection especially those who operate through a trust relationship such as pension schemes and digital financial products

The Policyholders Compensation Fund (PCF), established under Section 67C (2) of Kenya's Insurance Act, compensates policyholders and third-party claimants when an insurer is placed under statutory management or has its license revoked. PCF contributes to the National Financial Inclusion Strategy (NFIS) by fostering trust, stability, and consumer protection within the insurance sector, thus promoting financial inclusion, especially among underserved populations through:

- Consumer Protection & Confidence: PCF guarantees compensation to affected policyholders, reducing fear of institutional failure and encouraging insurance uptake among low-income and first-time users.
- Financial System Stability: Through involvement in statutory management and liquidation, PCF mitigates systemic risk, strengthening sector resilience crucial for inclusive financial systems.
- Inclusive Insurance Development: The compensation cap (KES 250,000) supports microinsurance markets targeting underserved groups by offering safety nets against insurer failures.
- Policy Advisory Role: PCF advises on compensation-related policies, contributing to national financial inclusion objectives through instruments like the Draft PCF Bill.

Sustainable Funding Model: PCF's pre-funded mechanism (from insurers and policyholders) exemplifies sound financial safety net models, boosting overall system credibility. By implementing the following strategies, PCF can address existing gaps, strengthen public confidence in the insurance sector, and play a more effective role in advancing Kenya's financial inclusion agenda.

Legislative Reform and Legal Empowerment- Advocate for amendments to the Insurance Act to grant PCF sole authority to initiate and execute key functions such as insurer liquidation and claims handling e.g PCF Bill.

Public Awareness and Education Campaigns - Launch targeted public education programs through mass media, community outreach (e.g., PCF Mtaani), and partnerships/MOU with stakeholders (KDIC, IRA, AKI & OR).

Review of Compensation Capped amount - Establish a periodic study review mechanism for the compensation ceiling based on inflation, market changes, and policyholder needs from the current KES 250,000 to KES 500,000 per claim.

Strengthening Financial Resilience - Explore the creation of contingency funding arrangements and reinsurance mechanisms for PCF. Prepare for large-scale insurer failures and ensure timely full compensation to affected claimants.

Within the capital markets, the Investor Compensation Fund was established as a financial safety net, providing compensation to investors if a member firm becomes unable to meet its financial obligations up to KES 200,000, which is an increase from the previous KES 50,000.

Remittances

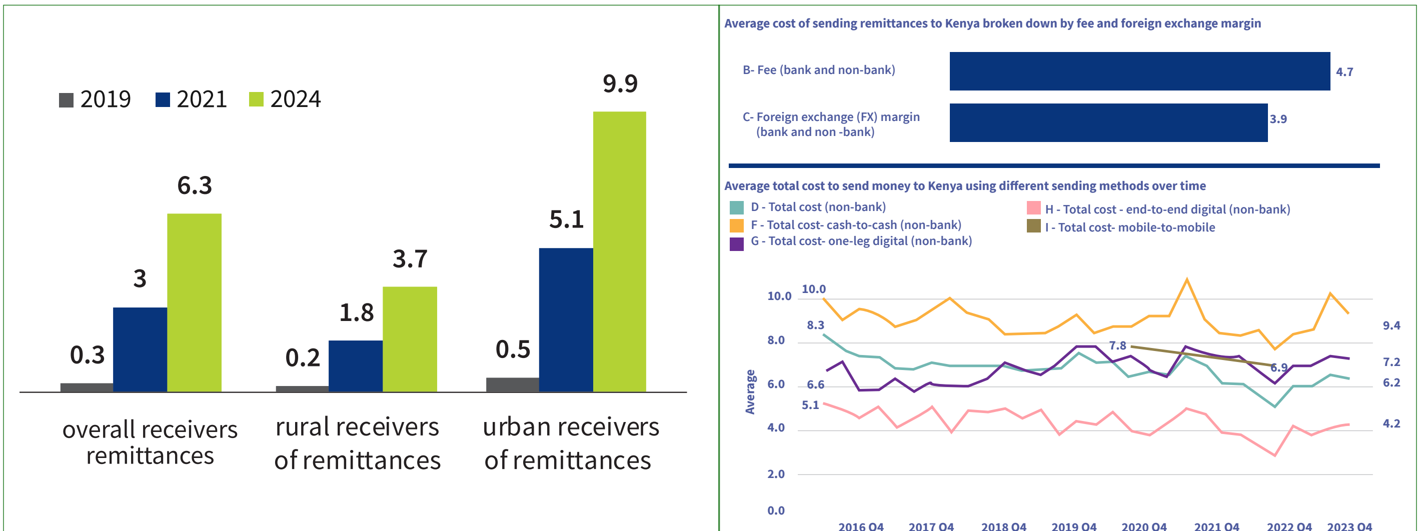
Remittances play an important role as an external financing source in developing countries. They also provide a gateway for financial inclusion and graduation. With support from financial service providers, the receiver households can leverage remittances as an entry point to access other financial services to manage their daily needs. The Kenyan population in the diaspora is estimated at 500,000 people with unofficial statistics projecting the number to be much higher. Kenya also hosts over 1 million immigrants of whom 714,000 are refugees and asylum seekers. Vision 2030 singled out diaspora remittances as a flagship project under the financial sector given its huge contribution to GDP. The remittances accounted for 4 percent of GDP in 2024, up from 3.9 percent in 2023. Kenya has been reporting increase in the volume of remittance flows which supports growth and development through welfare enhancing initiatives, investment and consumption smoothing. The resilience of remittances was established during the COVID-19 pandemic when remittance flows to low- and middle-income countries (LMICs) reached USD 540 billion before rising to USD 605 billion in 2021. In the Sub-Saharan region, Kenya ranked as third largest receiving country and fifth largest in Africa.

The number of remittance receivers expanded significantly, from only 75,080 in 2019 to 1.78 million in 2024, marking a steady rise in the percentage of adults receiving remittances (0.3 percent in 2019 to 6.3 percent in 2024). The share of rural receivers increased from 0.2 percent in 2019 to 3.7 percent in 2024, while the share of urban receivers grew more rapidly, from 0.5 percent in 2019 to 9.9 percent in 2024. Data from CBK further revealed that formal remittance inflows approached USD 5 billion (USD 4,945 million) in 2024 marking an 18 percent year on year growth. These figures highlight the growing importance of remittances as a financial resource for both rural and urban households, with urban areas consistently maintaining a higher percentage of receivers. Despite this progress, gaps persist which could be closed through investment in information and communication technology to reduce money transfer costs as well as increased campaigns to create awareness on diaspora participation in national development.

The Government seeks to double the share of investment of diaspora remittance from 25% to 50%. This is being done largely by ensuring that there was a conducive environment within the financial sector for Kenyans in the diaspora to invest in Kenya through portfolio flows and create confidence for investment in Foreign Direct Investment (FDI) for sustainability. Further, TWG seeks to raise the total diaspora remittances to KES 1 trillion by 2030. Further, a Diaspora Investment Strategy is being finalized by the State Department for Diaspora Affairs in collaboration with other stakeholders to further boost opportunities in investments.

The main issue however is on the measurement of remittances. At the global scene, there is a growing gap between remittance receipts and remittance payments with the former always exceeding the latter signaling growing inconsistencies in the coverage and compilation of remittance data. The data gap between household's domestic income and household final consumption expenditure is also manifested in the National Accounts and Kenya Integrated Household Budget Survey (KIHBS) data. Addressing gaps in remittances could help foster remittance flows through reduced average transaction costs and shift transfers from informal channels and reduce money laundering, illegal flows. The cost of sending money to Kenya is relatively higher (10.7 percent of the sent amount) as compared to SSA which average 8.4 percent. Other challenges include low transparency on the range of remittance services and the transaction costs **(Chart 12).**

Chart 12: Cross Border Remittance Trends (%)



Source: 2024 FinAccess Survey

Islamic Finance

As Kenya continues advancing the financial product range, it's important to think about Shariah (Islam law) based financial services given the share of Islam religion in Kenya which stood at 10.9 percent (5.2million) in 2019 census. This will help in accommodating the diversity of the Kenyan population and the critical role religion plays in enhancing social capital. Islamic banking in Kenya is anchored on the Banking Act which prohibits interest charges (riba) and allows profit sharing and exemption of certain of certain activities (haram). Full implementation on of Islamic banking is hampered by Banking Act limitations, exemptions which must be obtained from CBK, lack of a standardized legal infrastructure and need for skilled Islamic banking professionals. Kenya issued its first sukuk (Shariah-compliant) bond, also known as the Linzi Sukuk, on July 31, 2024, at the Nairobi Securities Exchange. This financial instrument aims to support the country's affordable housing agenda by providing an alternative to conventional debt financing. The sukuk, valued at KES3 billion (approximately $23 million USD), was issued by Linzi Finco Trust and is expected to finance the development of 3,069 housing units.

Forcibly Displaced Persons

Kenya hosts 849,625 refugees (73 percent and asylum-seekers (27 percent (UNHCR, April 2025). The Government has been very keen on advocating for their socioeconomic inclusion, especially financial and digital inclusion through financial and technical support. Financial inclusion for refugees and host communities is critical in enhancing the overall welfare. In Kenya, 50.8 percent of refugees reside in Dadaab, 35.9 percent in Kakuma and 13.3 percent in urban areas. Despite concerted efforts by the government to support FDPs, access to bank accounts remain a mirage with only 6 percent having access to a bank account. Kenya Longitudinal Survey for Refugees and Hosts data indicate that access is lowest among Dadaab refugees averaging 3 percent against 6 percent for Turkana. This raises the need to expand access to financial services for refugees (and camp-based hosts. Strengthen policies that enable refugees to access formal banking, mobile money, and credit services, fostering economic resilience and self-reliance (UNHCR, 2024).

Inclusive Green Finance

Kenya, like other countries, has a fair share of climate change related challenges on account of unpredictable weather patterns, including droughts, floods, and wildfires. These climate shocks can trigger massive humanitarian crises and disrupt economies, health systems, and education thus threatening the 2030 vision of global shared prosperity, underscoring the urgency of transitioning to a climate-resilient green economy. As part of the global community, Kenya recognizes climate change as a pressing issue and has committed to the United Nation's 2030 Agenda for Sustainable Development and the Paris Agreement. The role of the financial sector in mobilizing capital to support sustainable solutions cannot be over emphasized. Kenya submitted the updated Nationally Determined Contributions (NDC) to the UN Framework Convention on Climate Change (UNFCCC) which highlights the country's climate change priority actions and financing needs. Subsequently, the NDC Financing Strategy was developed.

The Government of Kenya estimates that USD 62 billion is required to implement Kenya's NDC (mitigation and adaptation actions) in 2020-2030. The Government prioritized mainstreaming and mobilizing finances towards locally led climate actions through establishment of the Financing Locally led Climate Action (FLLoCA) Program to crowd-in climate-related financial resources, build capacity and share experience for scaled-up climate related actions at the local level. As part of the CBK's ongoing second-generation reforms aimed at greening the banking sector, CBK developed and released the Kenya Green Finance Taxonomy and the Climate Risk Disclosure Framework in April 2025. The Green Taxonomy is critical in the formalization and streamlining of the definition of green economic activities, combatting greenwashing in green investments, supporting the scale up of sustainable investment, particularly through foreign direct investment, allow for comparability in green investment portfolios and providing clarity in the required direction for sustainable finance.
The Framework is intended to facilitate the integration of climate-related risk considerations in their governance, strategy, risk management and disclosure frameworks. As of December 2023, all thirty-eight (38) commercial banks and one (1) mortgage finance institutions had submitted their board approved climate risk implementation plans in line with CBK Guidance on Climate-Related Risk Management (2021). Banks and mortgage finance institutions had commenced submitting quarterly implementation status of their plans. Individual households on their part have also not been left behind in the investment in green. On the other hand, CMA has been actively promoting the use of green bonds in the country through the Green Bonds Programme Kenya (GBPK), a collaborative initiative with the Nairobi Securities Exchange (NSE) and other stakeholders. NSE is home to Kenya's first green bond issuance of $41mn.

From the demand side, the 2024 FinAccess data revealed that just over one third (34.9 percent) of the total adult population have invested in at least one green initiative. Key areas of investment include solar-powered equipment and tree planting, each at 18.8 percent. Water conservation efforts at 6.8 percent, while purchases of efficient cooking energy accounted for 3.4 percent. Biogas systems saw minimal uptake, at only 0.3 percent. Despite the progress made, further action is needed to ensure a robust financial system that supports the decisive handling of the challenges of climate change.

Persons with Disability (PWDs)

The disability prevalence averaged 2.2 percent in 2019 with females and males accounting for 2,5 percent and 1.8 percent respectively. The majority of PWDs are found in rural areas (80.46 percent) which is four times higher than in the rural areas (19.54 percent) (KNBS, 2019). People with disabilities often face difficult economic choices where they must prioritize different needs. Persons with disabilities in Kenya are less likely to use mobile phones and mobile internet compared to those without disabilities, exacerbating their social exclusion, especially in the highly digital post-pandemic world. For women with disabilities, this issue is compounded by an intersectional gap, as they are even less likely to use mobile internet than men with disabilities. In Kenya, there's a significant gap in mobile internet usage between non-disabled individuals and those with disabilities, with 85 percent fewer persons with disabilities using mobile internet. Financial inclusion for persons with disabilities (PWDs) averaged 77.9 percent, below 84.8 percent national average. Disability inclusion in Kenya is anchored on; 2010 Kenya Constitution and Persons with Disabilities Act No. 14 of 2003. Gaps, however, persist with only 4 percent of public institutions complying with the mandated 5 percent reservation of employment for people with disabilities. Only 35 percent of institutions had employed any persons with disabilities by July 2022, resulting in a mere 1.32 percent of the total workforce being persons with disabilities. Less than half of all institutions provide information in accessible formats like audio, large print, and braille. Some of the barriers cited by PWDs include:

- **Non-Inclusive Education:** lack of inclusive and customized education curricula, for PWDs limits their ability to acquire digital literacy skills and utilize assistive technologies effectively.
- **Lack of Customized and Localized Assistive Technology:** Hinders usability and require additional resources for training or language customization. Similarly, some devices like imported motorized wheelchairs and smart white canes may be affected by local terrains and climatic conditions and would be ineffective.
- **Language Barriers and Assistive Device Language:** Language barriers can be a significant challenge, especially when assistive devices have limited language options.
- **Inaccessible Websites and Digital Platforms:** Many websites and digital platforms are not created with accessibility in mind, which makes it hard or even impossible for PWDs to use them.
- **Weak Legal Frameworks:** While there are efforts to create legal frameworks governing digital inclusion and accessibility, implementation gaps persist. The generalization of standards and the adoption of foreign laws without local adaptation can impede effective implementation.

Micro Small and Medium Enterprises (MSMEs)

Micro Small and Medium Enterprises (MSMEs) in Kenya are highly financially included (92%), second only to the formally employed. Digital technology has significantly improved their access to formal finance, with 80% using digital payments. However, deeper formalisation—such as business bank accounts (6%), digital records (8%), and county permits (17%)—remains limited or in decline. Despite efforts by banks to introduce tailored MSME products, uptake of formal credit and savings remains low, with most credit serving household needs rather than business growth.

MSMEs prefer stability and working capital over investment credit and rely heavily on social networks, suppliers, and informal groups for finance. There is growing interest in "social finance" solutions that build on these networks. Supply chain finance shows promise of providing working capital. A major gap is the lack of supply-side sex-disaggregated data on MSMEs, which limits targeted product development. However, this presents a strong opportunity for financial sector actors and regulators to leverage such data to better serve women-led businesses. Tools like the FinAccess Tracker and new segmentation models by different stakeholders help address the heterogeneity of MSMEs, but more innovation is needed in policy, infrastructure, and data use to boost MSME resilience and growth.

Women

Kenya has significantly narrowed the gender gap in access to formal financial services, with men and women now nearly equally included. However, disparities remain in the use of long-term financial products like banking, insurance, and pensions, where women lag. Mobile money and informal savings groups (chamas) continue to play a central role in women's financial lives, offering critical support aligned with their life priorities such as food, health, and education. Despite near-equal access, women are 30% less likely to be financially healthy than men, even when controlling for other factors. They also report lower levels of empowerment and satisfaction with financial services. To bridge these gaps, there is need for innovation tailored to women's realities—solutions that strengthen social capital, bridge household and productive roles, and build financial capability. The formal sector must learn from informal models like chamas and invest in gender-intentional product development, better data, inclusive delivery models, and behavioral insights to enhance women's financial outcomes and economic participation. Data also plays an important role in supporting the development of relevant financial and non-financial solutions that respond to the needs of women. The We Finance Code, a global framework that enables financial service providers to commit to advancing women's financial inclusion, leadership, and economic empowerment has proposed principles and standards, to enhance alignment among diverse stakeholders—regulators, policymakers, providers, and development partners—and promote coordinated actions to design, deliver, and monitor financial solutions that better serve women, particularly women-led MSMEs.

2.2.3 Quality of Financial Services

The quality dimension measures the appropriateness of the financial products and services for example through safeguarding the rights and interests of customers and ensuring that they also match clients' needs, the range of options available to customers, and the level of clients' awareness and understanding of financial products and consumer protection issues.

Consumer Protection

In Kenya, consumer protection in the financial sector is primarily anchored in the Consumer Protection Act (Cap 501) and the Competition Act (Cap 504), supplemented by sector-specific regulations and guidelines. These frameworks aim to protect consumers from unfair trade practices, promote transparency in financial transactions, and uphold rights related to disclosure, fair treatment, privacy, financial education, and redress mechanisms. The existing consumer protection techniques in Kenya's financial sector are fragmented, leading to inconsistencies in the protection of consumer rights across different financial products and services. Various regulators and service providers have been applying disparate rules, disclosure requirements, and redress mechanisms, often lacking coordination and uniform standards. This fragmentation results in regulatory overlaps, gaps in supervision, inadequate complaint handling, limited consumer awareness, and weak enforcement of fair business practices. Vulnerable consumers, such as those with low financial literacy or in remote areas, are particularly disadvantaged under this system.

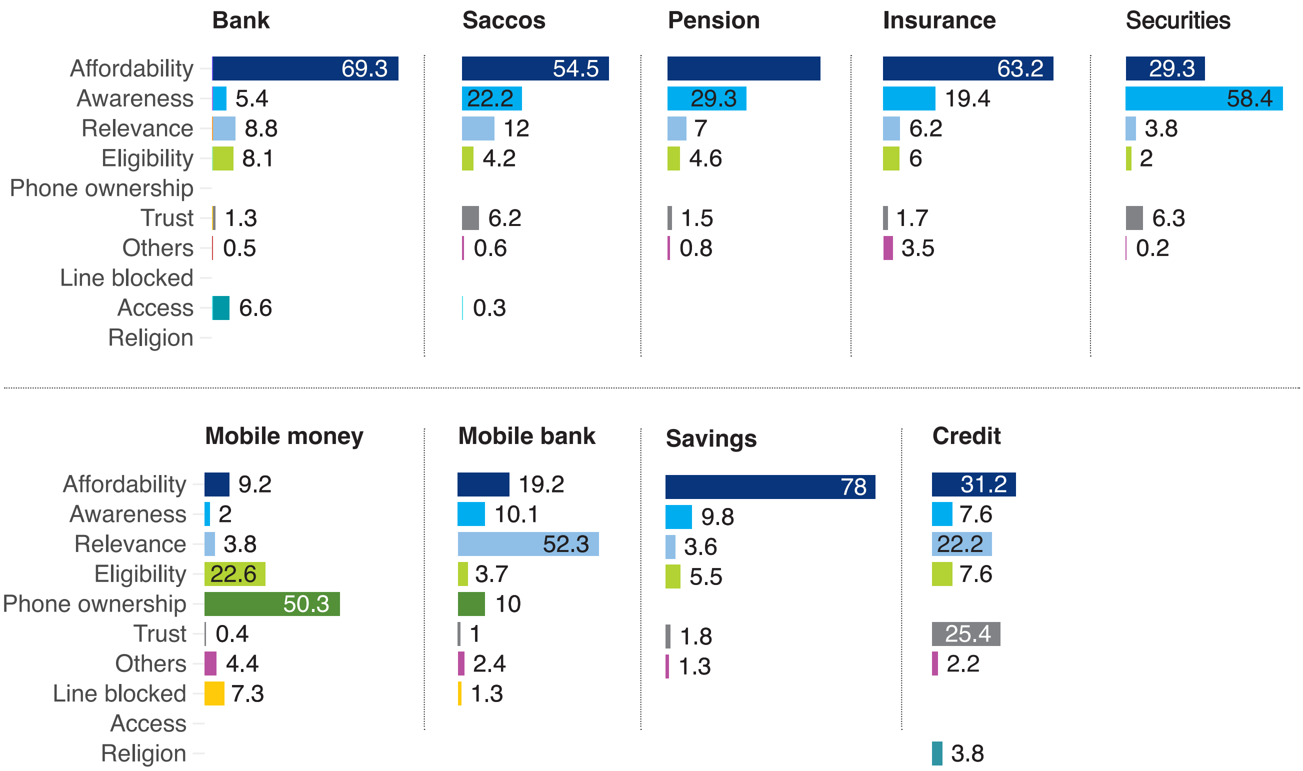
The proposed solution is the development and implementation of a comprehensive Financial Consumer Protection Framework spearheaded by the Central Bank of Kenya (CBK). This framework seeks to harmonize policies and establish clear principles on disclosure, transparency, fair treatment, dispute resolution, and data protection across the financial sector. It outlines the duties of service providers, rights and responsibilities of consumers, and enforcement mechanisms for compliance. Key elements include standardized complaints handling procedures, cooling-off periods, ethical lending and debt recovery practices, centralized reporting portals, and targeted financial literacy programs. The framework also promotes collaboration among regulators, enhances monitoring and evaluation mechanisms, and provides statutory sanctions for violations to ensure consistent, effective, and inclusive consumer protection.

Barriers to Financial Services

To unravel the main issues affecting the uptake of financial services, the 2024 FinAccess survey introduced several questions. Affordability was found to be the main barrier to financial product usage, especially for savings, banks, and insurance. Awareness gaps hinder uptake of securities and pensions, while relevance affects mobile bank and credit. Trust concerns are significant for credit and SACCOs, while eligibility challenges impact mobile money and banks. Mobile phone ownership is also a major barrier for mobile money usage **(Chart 13).**

The challenges across the sector include fragmented regulation, where overlapping mandates among multiple regulators lead to inefficiencies and increased costs for consumers seeking redress. Complaint handling mechanisms remain inadequate, and low levels of financial literacy hinder consumers from making informed choices. In many cases, terms and conditions are not presented in clear or accessible language, limiting consumer understanding particularly among vulnerable groups. There is also limited awareness of the full cost of credit, and digital transformation has introduced new risks such as data breaches and cyber fraud.

Chart 13: Consumer Protection in the financial sector



Source: 2024 FinAccess Survey

The rapid digital transformation, growing complexity of financial products, and emergence of new risks such as cyber threats and digital fraud have outpaced the current consumer protection framework in Kenya. Additionally, overlapping mandates among financial sector regulators have created gaps and inconsistencies in enforcement. To ensure robust, inclusive, and adaptive consumer safeguards, it is imperative to modernize the Consumer Protection framework to reflect evolving market dynamics, enhance regulatory coordination and strengthen consumer trust and resilience in the financial system. Some of the findings on the quality dimensions captured in the 2024 FinAccess survey are summarized in **Chart 14.**

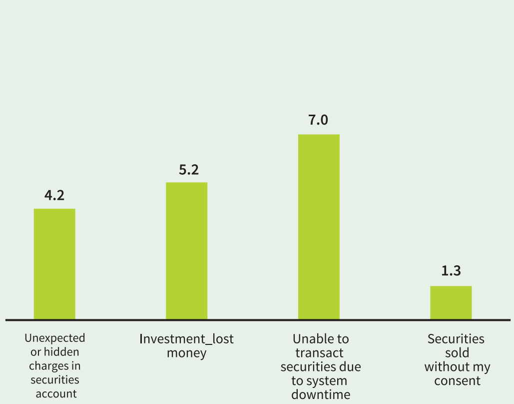
Chart 14: Consumer Protection Issues

a) Service provider

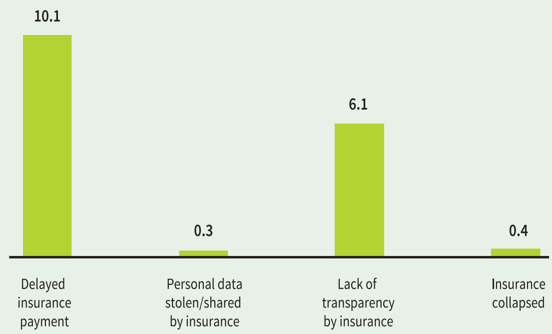
Issues	Bank	SACCO	MFI Traditional	Digital Apps	Hire Purchase	Mobile Money	Mobile Bank	Securities
Unexpected or hidden charges account	4.6	4.9	49.4	22.3	9.5	3	1.9	2.8
Unethical Practices	1	1.5	62.7	34.9	15.6	N/A	1.5	0.6
System downtime	11	0.8	47.8	22.5	10.3	21.1	5.6	4.4
Money Lost	1.5	2.2	17.5	6.4	2.5	9.8	0.6	4.4

Service Provider

b) Securities



c) Insurance and Pension

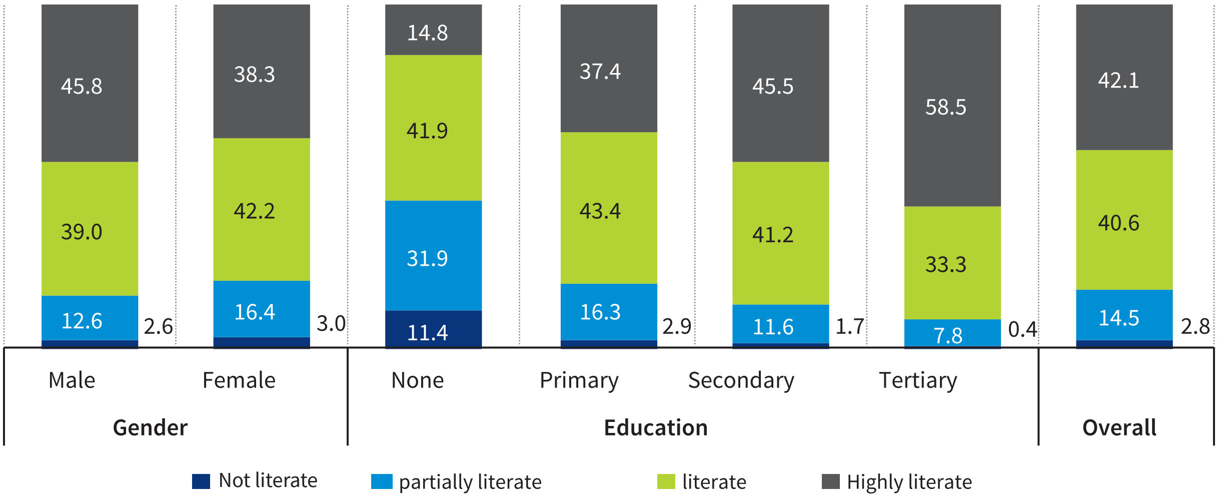


d) Pension

Financial Literacy

Financial literacy encompasses the awareness, knowledge, skills, and attitudes needed to make informed and effective financial decisions. It plays a critical role in shaping individual and collective financial well-being, influencing behavior such as budgeting, saving, borrowing, investing, and planning. In Kenya, financial illiteracy has been identified as a major contributor to low savings rates and poor debt management. Measured against three components of financial literacy (Interest rate computation, changes in purchasing power (Inflation) and risk diversification in investment) 42.1 percent of the adult population were found to be highly financially literate, 40.6 percent were financially literate while 14.5 percent were partially literate **(Chart 15).** These trends highlight an urgent need for coordinated efforts to improve financial literacy as a means of promoting financial health and long-term economic stability.

Chart 15: Financial Literacy Status



Source: 2024 FinAccess Survey

In response, the Institute of Certified Investment and Financial Analysts (ICIFA), in partnership with the Capital Markets Authority, Nairobi Securities Exchange, Safaricom, and the Fund Managers Association, launched a Financial Literacy Program aimed at empowering individuals and businesses across Kenya. The program promotes public understanding of key financial concepts—such as budgeting, saving, debt management, and planning—while also educating the public on how to access and utilize financial services like bank credit, insurance, and pension systems. Recognizing financial literacy as a public good, the initiative brings together stakeholders from across the financial ecosystem—including banks, insurers, pension funds, consumer advocacy groups, and organizations supporting Persons with Disabilities (PWDs)—to harmonize financial education efforts and maximize reach and impact.

The program consists of two key components. The first, Consumer Financial Literacy Inclusivity, delivers financial literacy training and advisory services with a focus on budgeting, investing, borrowing, insurance, taxation, and personal credit management. The second, MSME Capability Development, targets micro, small, and medium-sized enterprises (MSMEs), aiming to strengthen their access to financing, digital tools, and business skills. This component offers training and coaching on financial planning, understanding credit risks, and accessing startup and working capital. Ultimately, the initiative seeks to boost financial literacy and capability across all segments of society, contributing to increased financial inclusion, resilience, and sustainable socio-economic development.

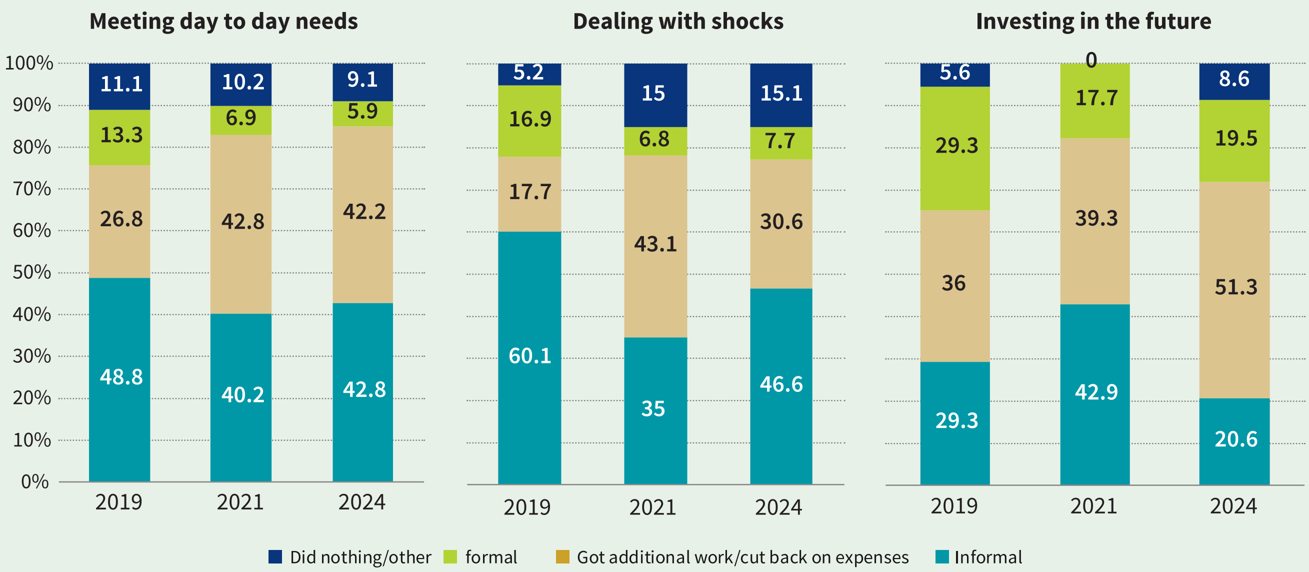
2.2.4 Impact of Financial Services

The impact dimension measures the relevance of financial services on the livelihoods of consumers and is measured using the needs-based framework to test the extent to which formal financial solutions respond to consumer needs i.e. meeting day to day needs, dealing with shocks and meeting future goals. Other areas of interest include personal/business productivity; welfare/consumption outcomes such as food vulnerability, financial health metrics.

a) Needs Based Framework

The needs-based framework establishes the consumer needs and the effectiveness of the available financial instruments in dealing with day- to- day needs when they are faced with shortfalls between income cycles, shocks and future goals. The 2024 FinAccess survey reported a decline in the proportion of the adult population reporting having a challenge in meeting everyday needs from 62.5 percent in 2021 to 57.2 percent in 2024. Similarly, there was a decline in the incidence of shocks to 43.9 percent in 2024 from 67.1 percent in 2021. This could be partly attributed to the wearing off the negative effect of Covid 19 pandemic. There was a marginal drop of 0.4 percent in the proportion pursuing future goals in 2024 **(Chart 16).**

Chart 16: Strategies employed to address the identified needs



Source: 2024 FinAccess Survey

To establish the impact of the formal strand in meeting the needs, the 2024 FinAccess established a disconnect with a majority relying on social capital and informal solutions as illustrated in **Chart 17.**

b) Financial Health

Financial health is defined as the ability of individuals to meet day-to-day financial needs, cope with risks/emergencies, and invest in future goals. Financial health is closely linked to the country's national development strategies, including Kenya Vision 2030, the Medium-Term Plan IV (MTP IV), Sustainable Development Goals (SDGs). The definition is borrowed from the Multidimensional Financial Health Index (MFHI), which assesses financial health across three key dimensions:

iv. **Managing Day-to-Day Needs:** Ensuring individuals and households can meet basic living expenses such as food, rent, and education without financial distress.
v. **Coping with Financial Shocks:** The ability to absorb unexpected financial shocks through savings, insurance, or alternative income sources.
vi. **Investing in the Future:** The capacity to plan for long-term financial goals, such as retirement, education, or business expansion.

Although the overall financial health index declined from 39.4 percent in 2016 to 18.3 percent in 2024, there was notable improvement in the ability to manage day-to-day needs and coping with risks/ emergencies/shocks between 2021 and

2024. The subcomponent on the ability to invest in livelihoods and the future goals however declined, from 39.5 percent in 2021 to 17.1 percent in the same period, indicating challenges in long-term financial security of Kenyans **(Table 4).**

Table 4: Financial Health Trends

	2016	2019	2021	2024
Ability to manage day to day	**63**	**55.3**	**45**	**50.2**
Manage: no trouble making money last	41.8	28	28.9	42.6
Manage: plan for allocating money	73.5	62.3	62.2	57.1
Manage: never went without food	58.1	66.6	46.5	53.9
Ability to cope with risks	**52.4**	**36.9**	**23.3**	**32.3**
Risk: never went without medicine	64.6	64.1	45.8	56.3
Risk: could raise lumpsum in 3 days	36.8	19.5	21.6	24.5
Risk: keeping money aside for emergency	56.4	41.4	35	33.2
Ability to invest in livelihoods and future goals	**46.5**	**21.8**	**39.5**	**17.1**
Invest: set money aside for future	55.7	33.4	38.1	43.8
Invest: money aside for productivity	39.6	17.4	32.4	14.4
Invest: saving for old age	43.7	22.5	58.1	15.1
Financially healthy adults	**39.4**	**21.7**	**17.1**	**18.3**

Source: 2024 FinAccess Survey

Table 5: Financial Health Key Performance Indicators (%)

Key Performance Indicator	Data Source	Baseline (2024)	Target (2028)	Expected Outcome	Timeline
Ability to manage day to day	FinAccess 2024	**50.2**	**63**		2027
Proportion of people with no trouble making money last		42.6	45.6	Increase number of people that able to make money last	
Proportion of people able to plan for allocating money		57.1	73.5	Improved budgeting skills	
Proportion of people who never went without food		53.9	58.1	Improved food security	
Ability to cope with risks		**32.3**	**52.4**		
Proportion of people never went without medicine		56.3	64.6	Increased access to health commodities	
Proportion of people who can raise lumpsum in 3 days		24.5	36.8	Increased access to emergency funds	
Proportion of people able to keep money aside for emergency		33.2	56.4	Increased savings for emergencies	
Ability to invest in livelihoods and future goals		**17.1**	**46.5**		
Proportion of people able to set money aside for future		43.8	55.7	Increased savings for future use	
Proportion of people able to set money aside for investment		14.4	39.6	Improved investment culture	
Proportion of people able to set money aside for old age		15.1	43.7	Improved savings for retirement	
Financially healthy adults		**18.3**	**39.4**		

Source: 2024 FinAccess Survey

Each of the 9 indicators of financial health will be tracked along the socio economic and demographic characteristics of the households. The observed trends of financial health will be an outcome of financial inclusion initiatives undertaken.

3. National Financial Inclusion Strategy (NFIS) 2025-2028

3.1 Rationale of a National Financial Inclusion Strategy

Currently, the financial inclusion agenda in Kenya is anchored in the national development blueprint, the Kenya Vision 2030 and its Medium–Term Plans (MTPs). The MTP IV flagship projects and programmes that relate to the financial inclusion agenda, include:

- Enhanced measurement of financial inclusion;
- Deepening usage, quality and usefulness of financial services and products to a much larger number of Kenyan households and enterprises;
- Enhanced financial literacy/ capability;
- Enhanced financial services consumer protection regimes;
- Enhance diversification of financial products and services; and,
- Enhance Customer Centricity and Innovation in the Financial Ecosystem

Given the wide range of the financial inclusion flagship projects and programmes that the Vision 2030 is pursuing, and the fragmented nature in which these projects and programmes are being pursued by different stakeholders, the Department is proposing the development of a National Financial Inclusion Strategy (NFIS). The NFIS will ensure effective cooperation and coordination of all financial inclusion initiatives under one champion and lead institution.

3.2 Current Financial Inclusion Initiatives in Kenya

As at May 2018, 42 out of the 66 commitments under the AFI Maya Declaration of 2011 focused on formulating and implementing a National Financial Inclusion Strategy (NFIS). Although Kenya is yet to make a commitment on this, several financial inclusion initiatives by different stakeholders have been rolled out **(Table 6)** in line with Vision 2030 flagship projects and programmes.

Table 6: Selected Financial Inclusion Initiatives in Kenya

No.	Financial Inclusion Initiative	Lead Agency	Objective
i.	Stawi	CBK	Rolled out in November 2019 by a consortium of five Kenyan banks to provide "anytime anywhere" financing to Micro, Small and Medium Enterprises (MSMEs).
ii.	M-Akiba	CBK/TNT	Rolled out in 2017 to allow investors to purchase a retail bond through mobile phones.
iii.	Diversified financial service providers	The National Treasury and Planning (TNT) and Sector Regulators	Permission of diversified financial service providers e.g. microfinance banks, deposit-taking Sacco societies, microfinance institutions of different institutional forms, etc.
iv.	Credit Reference Bureaus (CRB)	CBK	Develop, upgrading and operationalization of a credit information system (CIS) for use by credit providers to price credit according to the consumers risk profiles.
v.	Credit Information Sharing (CIS) mechanism.	CIS	Rolled out in 2010 to ensure positive and negative credit information is used from multiple sources, including third-party sources.
vi.	Guidance on Climate-Related Risk Management to banks.	CBK	In October 2021, CBK issued a Guidance on Climate-Related Risk Management to banks. The Guidance is intended to steer banks in mitigating climate-related risks while leveraging on opportunities in the transition to a low-carbon climate-resilient economy.
vii.	Agency banking	CBK	Rolled out by commercial banks and microfinance institutions in 2010 and 2012, respectively to allow third-party retail agents to provide specified banking services to customers at their convenience to increase outreach and usage of financial products and services.
viii.	Kenya Credit Guarantee Scheme (CGS)	KCGS	Enhance MSMEs access to finance through innovations and partnerships in provision of credit guarantees.
ix.	Kenya Mortgage Refinance Company	KMRC	Support Government's Agenda on provision of adequate housing
x.	National Payments Ecosystem	CBK	Authorization of mobile money services in 2007 and other partnership arrangements between various providers e.g. mobile banking products.
xi.	M-Pesa (Mobile Money)	Telcos	Started as a mobile phone-based money transfer service. It was designed to allow microfinance-loan disbursements and repayments to be made by phone, reducing the costs associated with handling cash and ultimately lower interest rates. However, after pilot testing it was broadened to become a general money-transfer scheme.
xii.	Payments Service Providers (PSP) interoperability	CBK	Promote transactions and transfer payments across financial service providers thus deepening financial inclusion.
xiii.	Fast Payment System (FPS)	CBK	Enhances access to financial services, affordability, remittances, broad participation of all licensed financial institutions, and consumer protection through shared and coordinated fraud prevention and detection mechanisms
xiv.	Cost of Credit Portal	CBK and KBA	Enhance transparency in pricing and reduce information asymmetry.
xv.	Digital Credit Providers	CBK	Licensing and expansion of digital finance ecosystems in Kenya.
xvi.	Digital Finance Strategy	TNT and CBK, CMA	Develop a digital finance strategy aimed at accelerating the adoption of appropriate digital financial services and products. Currently, Kenya has a National Policy on Virtual Assets (VAs) and Virtual Asset Service Providers (VASPs), which was approved in March 2025. The policy objective is to guide the development of a fair, competitive, and stable market for VAs and VASPs in Kenya. The Virtual Asset Service Providers Bill, 2025, is currently undergoing legislative processing. The legal and regulatory framework on VAs and VASPs was developed to support entities that carry out exchanges between different forms of VAs or between VAs and fiat currencies. A VASP may also transfer virtual assets, safekeep them, or provide financial services related to the issuance or sale of VAs. The regulatory framework aims for fair, safe and innovative development of the VA ecosystem in Kenya.

No.	Financial Inclusion Initiative	Lead Agency	Objective
xvii.	Financial Education Strategy	JFSR (CBK, IRA, CMA, KDIC, PCF, SASRA and RBA)	• Need to develop a national financial inclusion strategy. • Enhance financial education/ literacy. • Implementation of the EAC Financial Education Strategy. • Enhance market conduct practices - consumer centric models and consumer protection.
xviii.	Green finance	JFSR (CBK, IRA, CMA, KDIC, PCF, SASRA and RBA)	Develop and adopt Green Finance Guidelines in line with global sustainable financing.
xix.	Micro insurance products	IRA	Promote micro-insurance products.
xx.	Targeted Consumer Education Programs in counties for youths, MSMEs, Women, PWDs, farmers and other focus groups.	IRA	Educate insurance consumers and potential insurance consumers on insurance products and services to enhance literacy
xxi.	Collaboration with KICD and Universities	IRA, CMA, CBK, PCF, SASRA and RBA	Inclusion of insurance in school curriculum to address insurance literacy at an early stage in life. Forum with University students is aimed at addressing the understanding of insurance among the youth and shaping their career paths
xxii.	Open Days programs in counties	IRA	Collaboration with insurance companies to promote insurance uptake across the counties and address consumer needs by bringing industry players together
xxiii.	Online Claims Management System	PCF	Policyholders and claimants can conveniently submit their claims online and track the status till payment is done directly through EFT.
xxiv.	PCF Mtaani	PCF	The PCF Mtaani initiative targets various groups; including media, insurance agents, boda boda, tuktuk and matatu operators, youth, women, persons with disabilities (PWDs), and other groups—to disseminate information on the compensation process for policyholders and claimants of the following insurers: Concord Insurance Co. Ltd, Standard Assurance Co. Ltd, Resolution Insurance Co. Ltd, BSIC Ltd, Invesco Assurance Co. Ltd, Xplico Insurance Co. Ltd and United Assurance Co. Ltd.
xxv.	Islamic Finance	CBK, CMA	This will help in accommodating the diversity of the Kenyan population and the critical role religion plays in enhancing social capital. Islamic banking in Kenya is anchored on the various institutions acts which prohibits interest charges (riba) and allows profit sharing and exemption of certain of certain activities (haram)- (SUKUK Bond), Takaful Insurance (IRA, SASRA)
xxvi.	Mbao Pension Plan	RBA	Launched in 2011 in collaboration with RBA. It allowed contributions as low as KES 20 per day via mobile money (M-Pesa), removing affordability and accessibility barriers.
xxvii.	Kenya National Entrepreneurs Savings Trust (KNEST)	The national Treasury	An initiative designed to provide a structured retirement savings platform specifically for micro-entrepreneurs and self-employed individuals. Launched in 2023
xxviii.	Retirement Planning Programs	RBA	RBA conducts continuous retirement planning programs campaigns across the country aimed at encouraging savings for retirement across different demographics.
xxix.	Intermediary Service Provider Platforms license category	CMA	A program to allow for online platforms that facilitate interaction between users, often acting as a conduit for content or services. These platforms can range from online marketplaces and social media to hosting and cloud services.
xxx.	Sacco Agency guideline in 2016 to necessitate efficient approval of agency businesses. Saccos have rolled out agency business either as principles or bank agents	SASRA	SASRA initiative to enhance efficient approval of agency businesses throughout a rollout of agency business either as principles or bank agents
xxxi.	Resource Persons Program		This is an initiative by CMA where we contract individuals to conduct awareness forums on behalf of the Authority at the grass root levels in respective counties. Implementation of the program continues to be implemented in a phased approach. So far, 83 resource persons have been onboarded in the program in 33 counties with the goal of being in all 47 Counties.
xxxii.	Virtual Open Days		This is an initiative where the public interacts with capital markets intermediaries virtually through break-out rooms with particular focus on the Diaspora
xxxiii.	Dhow CSD	CBK, CMA and NT	

Source: 2024 FinAccess Survey

The AFI identified the National Financial Inclusion Strategy (NFIS) as an important tool in facilitating, monitoring and evaluating policies and targets that promote inclusive financial sector development that promotes broad–based growth. Even though financial inclusion is not explicitly mentioned in the Sustainable Development Goals (SDGs), the United Nations Capital Development Fund (UNCDF) describes it as an enabler of developmental goals given its cross-cutting nature. In this regard, the proposed NFIS will provide a consistent and holistic framework for coordination and cooperation of both public and private sector stakeholders in advancing the financial inclusion agenda aligned to the Vision 2030 aspirations, East African Community (EAC), AU agenda 2063 and SDGs. In summary, the NFIS seeks to harmonize the fragmented financial inclusion initiatives into a sound and coherent framework. The framework will provide:

i). Mechanism for effective cooperation, harmonisation and coordination of all financial inclusion players at the national level to guide financial inclusion initiatives and programmes including organizational structures, defining roles and responsibilities, and identification of a national leader or coordinating body/ council, thus creating synergies towards achieving set objects;
ii). Collaborative approach towards closing the financial inclusion challenges and gaps aimed at achieving universal financial inclusion;
iii). strategic initiatives, agreed and defined at the national and county levels, to be pursued, including measurement of financial inclusion, financial literacy/ capability, market conduct and effective competition customized to different sub-sectors and target groups;
iv). roadmap of actions to achieve specific and predetermined objectives within a set period of time;
v). clear plan of resource mobilization and utilization to create effective implementation of the various actions and initiatives;
vi). Transparency and improved quality of financial services and products; and,
vii). Establishment of an effective process for targets, indicators, monitoring and evaluation framework.

The proposed NFIS introduces an evidence-based, better resourced, and more comprehensive approach through a cooperative and coordinated manner to expand financial inclusion in Kenya towards achieving universal access to and use of a broad range of quality affordable and appropriate sustainable financial services and products that meet the needs of the consumers.

3.3 Other Jurisdictions Experiences with NFIS

NFIS have gained a great deal of traction in recent years and have become an increasingly common policy approach for many member institutions in AFI to achieve financial inclusion objectives. A preliminary desk survey of various jurisdictions shows that NFIS can be formulated as either a standalone framework or integrated into the national development plans as summarized by the World Bank Group and Organisation for Economic Co-operation and Development (OECD) on financial inclusion and literacy strategies. Other global agencies which have continued to champion for financial inclusion policies and strategies include; G20 and Gates Foundation.

To support the above, the Maya Declaration (2011)—a global initiative for responsible and sustainable financial inclusion—recognizes the critical importance of financial inclusion strategies and policies in empowering and transforming lives. Endorsed by the Alliance for Financial Inclusion (AFI), the Declaration has continued to inspire many AFI members to adopt and advance National Financial Inclusion Strategies (NFIS). As NFIS evolve into critical tools for promoting inclusive economic growth, they also provide a robust platform for embedding the principles of the WE Finance Code—a framework launched in October 2023 by the Women Entrepreneurs Finance Initiative (We-Fi), housed within the World Bank. The Code addresses the persistent $1.7 trillion global financing gap faced by women-led micro, small, and medium enterprises (WMSMEs) by offering a practical, data-driven roadmap for financial service providers, regulators, and ecosystem actors to expand access to finance through institutional commitment, targeted solutions, and accountability mechanisms. Integrating the WE Finance Code into Kenya's NFIS can significantly enhance support for women entrepreneurs, ensuring financial inclusion leads to broader economic participation and national development in line with Kenya Vision 2030. Most countries define an NFIS as "a nationally coordinated approach to financial inclusion and literacy that consists of an adapted framework or programme." which:

- Recognises the importance of financial inclusion, financial education/ literacy, sound market conduct practices and effective competition in relation to identified national needs and gaps;
- Involves the cooperation of different stakeholders as well as the identification of a national leader or coordinating body/ council;
- Establishes a roadmap to achieve specific and predetermined objectives and targets within a set period of time; and,
- Provides guidance to be applied by individual programmes in order to efficiently and appropriately contribute to the national strategy"

In both cases, the success of the NFIS formulation and implementation according to a study by Global System for Mobile Associations (GSMA) depends on:

i). High-level government support in terms of sponsorship and ownership. This not only ensures buy-in from relevant stakeholders but also availability of critical resources to fund activities related to NFIS formulation and implementation; and,

ii). Identification of Excluded Groups and Gaps in the financial inclusion landscape, which the NFIS focuses and addresses, usually identified through both the demand– and supply– sides.

Key drivers behind successful adoption of NFIS include:

- **Quality Data:** Improved understanding of financial exclusion, financial health and effective policies e.g. Fin Access surveys.
- **Strategic Approaches:** Recognition of the power of strategic planning.
- **Peer Learning:** Knowledge sharing through AFI and G20 initiatives.
- **Trend Setting:** Countries motivated by the success of others.
- **Effective coordination mechanisms:** Public-private partnerships
- **Monitoring & Evaluation:** M&E frameworks are critical for tracking progress and refining strategies
- **Funding agency involvement:** Stronger link between strategy and budget is needed for effective implementation.

Key Challenges in NFIS Implementation

- **Data Gaps:** Several countries still lack reliable, sex-disaggregated data to monitor progress effectively.
- **Resource Constraints:** Limited budgets and institutional capacity hinder the implementation of NFIS in some countries.
- **Coordination Issues:** Effective coordination among multiple stakeholders (government, private sector, and NGOs) remains a challenge.
- **Sustainability:** Ensuring long-term sustainability of financial inclusion initiatives is a concern, especially in low-income countries.
- **Regulatory arbitrage and policy gaps**
- **Digital divide and infrastructure gaps across population segments**
- **Socioeconomic and cultural constraints**

Key Objectives of NFIS in select countries

- Gender Inclusion- Many NFIS now include gender-specific targets to address the financial inclusion gap between men and women. Examples: Nigeria's target to issue 60% of MSME loans to women, and Tanzania's focus on improving women's access to mobile money.
- Improve access and usage of financial services- small and medium enterprises (SMEs), PWDs, Refugees are a priority in NFIS, with initiatives to improve access to credit and financial services. Example: South Africa's NFIS includes measures to lower barriers for SMEs.
- Enhance financial literacy and consumer protection - Most NFIS emphasize the importance of financial education

and consumer protection to ensure sustainable inclusion. Example: Uganda targets to implement measures to ensure that financial institutions are transparent, offer high-quality products, disclose fees and terms, and provide customer feedback.

- Promote digital financial services-Mobile money, agent banking, and digital payment systems are central to most NFIS. Countries like Kenya and Tanzania have seen significant success in mobile money adoption, with platforms like M-Pesa driving financial inclusion.
- Strengthen regulatory frameworks
- Over 70 countries (up to October 2023) have either adopted or are in the process of developing NFIS.
- Asia-Pacific: India, Indonesia, and the Philippines have made significant progress, with a focus on expanding access to financial services for rural and underserved populations.
- Latin America: Countries like Mexico, Peru, and Colombia have integrated NFIS into broader economic development plans, emphasizing digital payments and microfinance.
- Middle East: Jordan and Palestine have launched NFIS with a focus on Islamic finance and women's financial inclusion.

Other Surveys of different selected jurisdictions shows countries that have successfully formulated NFIS have identified a lead agency to drive the strategy with either the national treasuries/ ministries of finance or central banks taking the lead, or a mix of the two, as summarized in **Annex I.**

3.4 Current Legal framework for the Financial Inclusion Strategy (NFIS) in Kenya

Successful implementation of the NFIS requires a robust regulatory framework. Presently, even in the absence of a unified framework, Kenya, has relies on legal and regulatory frameworks that drives financial inclusion initiatives in the respective institutions and sectors. The question begs? Is the current regulatory situation adequate? If not, is the inadequacy a barrier to achieving financial inclusion and if yes, what are the proposed interventions. The adequacy issue aside, a fragmented approach in the regulatory space governing the respective initiatives is of concern. This lack of regulatory harmony makes a case for a National Financial Inclusion Strategy, which would serve to achieve targeted legal and regulatory reforms including market interventions. South Africa for example, introduced South Africa Financial Regulation Act 2017 which led to the establishment of the Financial Sector Conduct Authority, charged with promoting financial inclusion among others.

Some of the highlighted areas of regulatory focus in Kenya include:

- **Financial consumer protection and market conduct regulation and supervision**
    * Policy and legal frameworks that support the innovation, development and distribution of products and services that better meet the needs of low-income or underserved customers, marginalized or disadvantaged persons. (Access to Government Programme Opportunities (AGPO). (Funding)
    * Implementation of effective and efficient market conduct supervision institutions; (Licensing in the supervision value chain. Point of entry and should be efficient and enabling).
    * Framework that ensures transparency and disclosure measures on fees and charges, which aids comprehension by consumers and enables comparison across service providers. (DCPs, Mobile Money, Banking Act, Increase of rates and charges regulations).

- **MSME access to finance policies, infrastructure and products:**
    * enacting risk-based regulatory frameworks to facilitate development of alternative credit providers; (Digital Credit Providers Regulations)
    * introduction of legal frameworks underpinning development of innovative financial products; (Sandbox environments)

* Strengthen credit guarantee legal and regulatory framework through development of the Credit Guarantee Business Regulations

- **Payment systems**
  * Establishment of appropriate institutional arrangements for the market regulators to steer the national payments system development
  * A framework that ensures implementation of specific payment system elements to ensure that the various players are in harmony. (The National Payment Systems Act, under review).

* Credit information systems:
* A framework that establishes comprehensive legal and regulatory frameworks to govern credit information systems, ensuring clarity and compliance (Credit Reference Bureau Regulations)
* A framework that supports the development and enhancement of credit bureaus to facilitate efficient collection and dissemination of credit data (Data Protection Act,)

The legal and regulatory framework that drives the key financial inclusion initiatives in the respective institutions and sectors is highlighted below **(Table 7).**

Table 7: Key legal and regulatory framework governing financial inclusion in Kenya

1	Constitution	**Article 43:** The right to Economic and Social Rights. N/B the Constitution does not expressly provide for the right to financial access, but the stipulated economic rights can only be achieved when there is access to useful and affordable financial products. **Article 231** established the Central Bank of Kenya, spells out its mandate and confers independence on the CBK (Section 4 (2). **Article 227** provides for fair, equitable, transparent and cost-effective procurement, giving rise to the Access to Government Programme Opportunities (AGPO) which is stipulated the Procurement Act, to facilitate the youth, women and persons living with disability to participate in government procurement.
2.	Central Bank of Kenya Act • Central Bank of Kenya Prudential Guidelines • Central Bank of Kenya (Digital Credit Providers) Regulations, 2021 • CBK Money Remittance Regulations 2013	Establishes the CBK and provides for its mandate, objectives and operations. One of the objectives is fostering the liquidity, solvency and proper functioning of a stable market-based financial system. These guidelines are issued to institutions regulated by CBK under the Banking Act, in order to maintain a stable and efficient banking and financial system. E.g. CBK/PG/22 on consumer protection. The regulations provide for licensing and oversight by CBK of previously unregulated Digital Credit Provider. They are aimed at curbing predatory lending by providing consumer protection, credit information sharing and AML/CFT obligations of the DCPs.
	• Microfinance Act, 2006 • Microfinance (Deposit taking Microfinance institutions) Regulations	Microfinance banks contribute to financial inclusion by offering banking services to MSMEs
	• Cybercrimes Act, 2018	Outlines the minimum requirements for commercial banks to enhance their cyber security in order to foster stability and consumer protection
3.	Banking Act, • Banking (Credit Reference Bureau) Regulations • The Banking (Increase of Rate of Banking and Other Charges) • Regulations	The Act regulates banking business in Kenya. CRB regulations ensure CRBs operate in transparent, fair and efficient manner, and protect the privacy of the individuals whose credit information they hold Regulate the approval of increase of banking and other charges with a view to ensuring that the banking charges reflect the Government policy of a market-oriented economy.
4.	National Payments System Act, 2011 National Payments System Regulations of 2014	This is what governs the mobile money licensing and regulations. Which is the anchor driver of financial inclusion in Kenya
5.	Data Protection Act, 2019 and Data Protection Regulations 2020 & 2021	Establishes the Office of the Data Protection Commissioner and provides for the regulation of the processing of personal data, the rights of data subjects and obligations of data controllers and processors; and for connected purposes. (Lenders et al have an obligation under the DPA the borrower's personal data).
6.	Proceeds of Crime and Anti Money Laundering Act (POCAMLA)	Under the POCAMLA, financial institutions in Kenya including DCPs, are required to implement robust anti-money laundering measures, such as customer due diligence, record-keeping, and reporting of suspicious transactions. The customer due diligence requires production of identity documents e.g. birth certificate, identity card, passport e.t.c
7.	Unclaimed Financial Assets Act	Provides for reporting and dealing with unclaimed assets. Majority of Kenyans are not well informed on the existence of UFAA and/or the procedure of retrieving unclaimed assets.
8.	Insurance Act	The Acts governs the operations of insurance. IRA was enacted to regulate, supervise and promote the development of insurance industry in Kenya.

9.	Capital Market Act • CMA Regulatory Sandbox Policy Guidance Note (PGN)	CMA was enacted for the purpose of promoting, regulating and facilitating the development of an orderly, fair and efficient capital market in Kenya and for connected purposes The PGN provides a framework for the establishment of a regulatory sandbox to allow for the live testing of new products, services and solutions that have the potential to deepen Kenya' Capital markets.
10.	Public Finance Management Act, 2012 • PFMA (Financial Inclusion Fund) Regulations, 2022 (Hustler Fund) • The Public Finance Management (Credit Guarantee Scheme) Regulations	The Financial Inclusion Fund (Hustler) is designed to improve financial inclusion and access to responsible finance for individuals, micro, small and medium-sized enterprises (MSMEs).
11.	Retirement Benefits Act and NSSF Act	The Retirement Benefits Act regulates and oversees pension schemes to protect members' savings, while the NSSF Act mandates contributions to a state-run pension scheme to ensure basic retirement income.
12.	Sacco (savings and credit cooperatives) Societies Act • Sacco Societies (Deposit taking Sacco Business), Regulations 2010 • Sacco Societies (Non-Deposit-Taking Business) Regulations	Makes provision for the licensing, regulation, supervision and promotion of Sacco societies, to establish the Sacco Societies Regulatory Authority and for connected purposes. Sacco's promote and encourage savings with access to credit at relatively lower interest rates than the market rates and with less stringent requirements. The regulations require Saccos to develop financial products and services aimed at improving the social economic interests of members, and to disseminate information on the same to the members.
13.	Co-operative Societies Act	Provides for the constitution, registration and regulation of cooperative societies. The Act is currently under review and is in the national assembly for consideration.
14.	National Payment Systems Act & Regulations	Provides for the regulation and supervision of payment systems and payment service providers. The Act covers areas and players such as the Payment Service Providers, switches, and settlement systems, among others. National Payment Systems Regulations were promulgated pursuant to the NPS Act. They cover in detail aspects such as Payment Service Providers, small money issuers and other relevant areas in the payment space.
15.	Kenya Information and Communications Act & Regulations	The Act and regulations provide for licensing of Mobile Money operators by the Communications Authority to provide for electronic transactions and facilitate the use of reliable electronic records; to facilitate electronic commerce and eliminate barriers to electronic commerce; promoting public confidence in the integrity and reliability of electronic transactions and foster the development of electronic commerce.
16.	Competition Act, Cap 504 Laws of Kenya	Promotes and safeguards competition in the national economy; protects consumers from unfair and misleading market conduct; provides for the establishment, powers and functions of the Competition Authority and the Competition Tribunal. Implementation of the Act ensures that the consumers access affordable finance and that their rights are protected.
	Companies Act, 2015	The law relating to the incorporation, registration, operation, management and regulation of companies; to provide for the appointment and functions of auditors; to make other provision relating to companies.
	Kenya Deposit Insurance Act	Establishes a deposit insurance system for the receivership and liquidation of deposit taking institutions and to provide for the establishment of the Kenya Deposit Insurance Corporation.

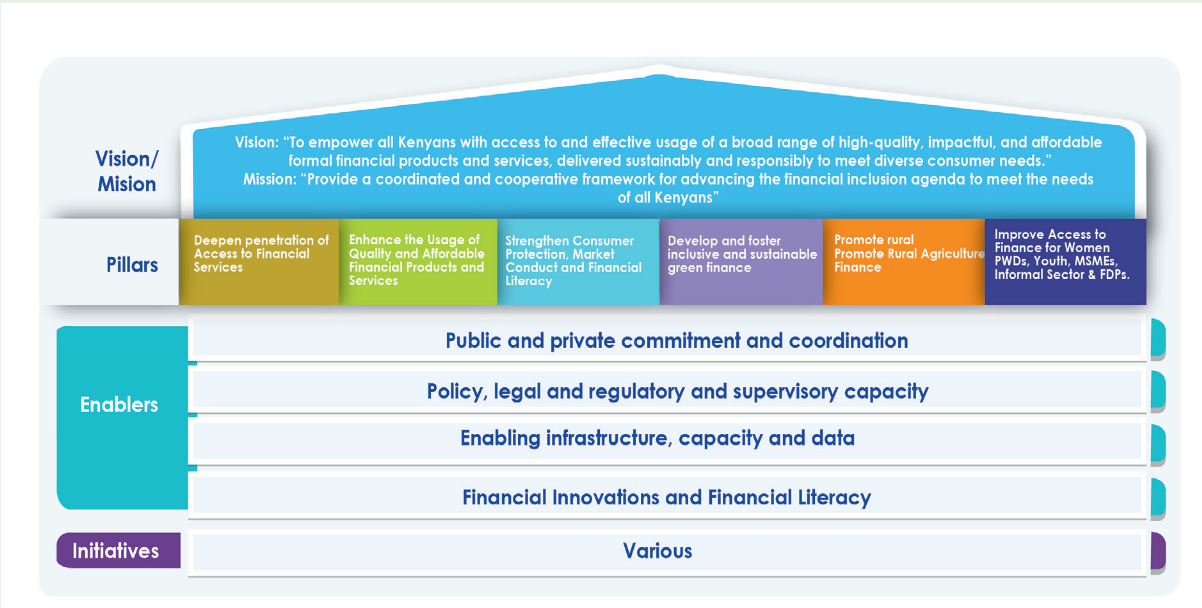
Source: CBK, 2025

3.5 NFIS Framework

The NFIS is governed by a framework that summarizes the vision and mission, specifies the pillars, key enablers that define the operating environment and key initiatives that will inform the key performance indicators **(Chart 18).**

Kenya's National Financial Inclusion Strategy (NFIS) 2025–2028 is a flagship policy initiative aimed at fostering a more inclusive, resilient, and sustainable financial ecosystem in line with the aspirations of Vision 2030. The Strategy is underpinned by the theme **"Leveraging Digital Transformation and Financial Literacy to Enhance Financial Inclusion,"** and is anchored on six thematic pillars that define the priority action areas over the next three years. Each pillar is supported by targeted interventions, institutional responsibilities, and measurable key performance indicators (KPIs) as outlined in the implementation framework.

Chart 18: NFIS Framework



Source: CBK, 2024

The NFIS Framework defines a broad range of financial services including payment, credit, insurance, pension, savings and investment. These will be assessed along the four dimensions of access, usage, quality and impact.

3.5.1 Vision and Mission National Financial Inclusion Strategy

The NFIS secretariat has stated the NFIS Vision and Mission Statement in line with the national development aspirations and EAC integration process.

Vision Statement

"To empower all Kenyans with access to and effective usage of a broad range of high-quality, impactful, and affordable formal financial products and services, delivered sustainably and responsibly to meet diverse consumer needs."

Mission Statement

"Provide a coordinated and cooperative framework for advancing financial inclusion agenda to meet the needs of all Kenyans."

3.5.2 Pillars, Enablers and Initiatives

The NFIS seeks to establish an effective coordination and cooperation framework to enhance the financial inclusion agenda in line with the Kenya Vision 2030 national development blueprint. In this regard, Kenya's NFIS strategy whose theme is "Leveraging Digital Transformation and Financial Literacy to enhance financial Inclusion" is structured along 6 pillars namely:

1) Deepen penetration of access to financial services to reduce financial exclusion
2) Enhance the usage of quality and affordable financial products and services
3) Promoting responsible finance
4) Develop and foster inclusive and sustainable green finance markets
5) Promote rural agriculture finance markets
6) Enhance access to finance for women, PWDs, FDPs, Youth, MSMEs and other special groups

Each of the pillars will be pursued through a set of targeted interventions and activities to be agreed upon. The success of the NFIS is pegged on public and private sector commitment and coordination; policy, legal and regulatory and supervisory capacity, enabling infrastructure, capacity and data as well as financial education and financial literacy.

Pillar 1: Deepen penetration of Access to Financial Services

This pillar seeks to reduce the level of financial exclusion by enhancing both physical and digital infrastructure, expanding identification systems (e.g., Huduma Namba), and facilitating inclusive onboarding mechanisms. Key interventions include expanding mobile and internet coverage in underserved areas, extending agency banking networks, promoting rural access points, and ensuring last-mile connectivity. The success of this pillar will be measured through indicators such as the percentage of adults with formal financial accounts, mobile money penetration, and digital ID access rates.

Key Initiatives & Activities:

- **Access to ID:** Boosted through mobile National Registration Bureau (NRB) units to increase adult identification levels, facilitating access to formal finance.
  - o *Target:* Increase national ID ownership from **91.6% to 95%** by 2028.
- **Infrastructure Expansion:** Improve digital and financial infrastructure by partnering with mobile network operators (MNOs).
  - o *Target:* Reliable mobile access in sub-locations from **68% to 90%.**
- **Rural Finance Expansion:** Strengthen microfinance and SACCO operations to increase rural outlets.
- **Promote Savings Culture:** Through public campaigns and incentives.
  - o *Target:* Raise national savings rate from **68.1% to 74%.**

Pillar 2: Enhance the Usage of Quality and Affordable Financial Products and Services

Beyond access, the Strategy places strong emphasis on improving the quality, relevance, and uptake of financial services. Interventions under this pillar include incentivizing customer-centric product design, expanding the digital finance ecosystem, and developing sector-specific financial instruments—such as leasing for SMEs and Islamic finance products. Outcomes will be assessed through metrics including the uptake of digital financial services, reduction in transaction costs, and growth in user satisfaction levels with financial products.

Key Initiatives & Activities:

- **Digital Ecosystem Development:** Roll out interoperable Fast Payment Systems (FPS), Open APIs.
  - o *Target: 85%* of FIs using interoperable APIs (from 35%).
  - o Explore the feasibility of establishing an open finance framework in Kenya to enhance quality and usage of financial services.
  - o Target: Feasibility study on Open Finance within 1 year. Development of guidance on inclusive adoption of emerging technologies such as AI and DLT.
  - o Target: Guidance on inclusive adoption of emerging technologies within 3 years.

- **Product Innovation:** Encourage inclusive, tailored product design especially for MSMEs, women, and youth.

- **Reduce Transaction Costs:** Regulate and cap mobile P2P charges.

- **Expand Formal Savings and Investment Uptake:** Campaigns to digitize savings tools and boost formal investment.
    - Target: Increase insurance use from **15% to 50%** and formal savings from **68% to 75%.**

Pillar 3: Strengthen Consumer Protection, Market Conduct and Financial Literacy

To ensure sustainable inclusion, the third pillar focuses on consumer protection, market conduct regulation, and financial literacy. This includes the development of a unified national consumer protection framework, institutional redress mechanisms, and a national financial literacy and capability framework to inform financial education programs. The framework highlights capacity building among market players, deployment of digital complaint management systems, and enhanced transparency in pricing. KPIs include reduction in the number of unresolved consumer complaints and increased awareness of financial rights among the population.

Key Initiatives & Activities:
- **Market Conduct Legal Framework:** Develop a comprehensive consumer protection and market conduct law applicable to all financial providers.
- **Financial Literacy and Capability Framework:** Develop a comprehensive financial literacy and capability framework to govern the implementation of focused, digital, and school and non-school based financial education programs.
    - *Target:* Awareness level of financial products to reach **70%**; full integration in school curricula.
- **Combat Over-indebtedness:** Enforce creditworthiness assessments, promote alternative scoring models.
    - *Target:* Reduce over-indebtedness by **30%.**
- **Digital Consumer Protection:** Enact e-money and digital wallet compensation guidelines.
- **Combat AML/CFT:** Ensure the population is enlightened on compliance.

Pillar 4: Develop and foster Inclusive and Sustainable Green Finance

This pillar aims to align Kenya's financial system with environmental and climate-related imperatives. The Strategy supports the operationalization of the Kenya Green Finance Taxonomy (KGFT), mobilization of green capital, and development of green financial products. Specific interventions include issuance of green bonds, development of ESG-compliant products, and establishment of carbon credit frameworks. Outcomes are to be tracked through the volume of green finance mobilized, number of green issuers, and compliance with environmental risk disclosure.

Key Initiatives & Activities:
- **Green Taxonomy:** Finalize and implement the Kenya Green Finance Taxonomy (KGFT).
    - *Target:* Full adoption across regulators.
- **Portfolio Diversification:** Set green lending targets and promote sustainable products.
- **Carbon Trading Framework:** Regulatory guidelines for operational carbon markets.
- **Public Awareness Campaigns:** Promote green financial products to consumers.

Pillar 5: Promote Rural Agriculture Finance

Given the importance of agriculture to Kenya's economy and livelihoods, this pillar promotes tailored agri-finance solutions. It includes the development of inclusive rural lending products, crop insurance schemes, and improvements in value chain financing. The implementation framework calls for expanded agri-credit guarantees, promotion of warehouse receipt systems, and digital solutions for agriculture. Indicators include share of lending to agriculture, uptake of crop insurance, and productivity gains among smallholder farmers.

Key Initiatives & Activities:

- **Agri-Finance Outreach:** Increase credit access to farmers via targeted partnerships.
    - o *Target:* Farmers accessing agri-credit from **43% to 60%.**
- **Loan-Crop Cycle Alignment:** Tailor repayment terms to agricultural seasons to reduce defaults.
- **Agri-Insurance Expansion:** Bundle credit with crop/livestock insurance.
    - o *Target:* Bundled insurance products to grow from **19.3% to 50%.**

Pillar 6: Improve Access to Finance for Women PWDs, Youth, MSMEs, Informal Sector & FDPs

The final pillar targets historically underserved populations; women, youth, persons with disabilities (PWDs), forcibly displaced persons (FDPs), and MSMEs. Key actions include gender-sensitive product development, regulatory reforms to remove discriminatory barriers, and targeted financial education campaigns. The framework provides for the development of disaggregated data tools, including through the Enterprise Data Warehouse (EDW), to inform inclusive policy design. Indicators include the percentage of women and youth with access to finance, number of inclusive products launched, and increased uptake of financial services by PWDs and FDPs.

Key Initiatives & Activities:

- **Financial Literacy for Women:** Campaigns targeting increased product knowledge.
    - o *Target:* Women naming 3+ financial products from **35% to 70%.**
- **Digital Inclusion for Rural Women:** Provide affordable smartphones and improve connectivity.
- **Youth Financial Services:** Expand tailored youth accounts, digital savings, and job-linked finance.
    - o *Target:* Increase youth financial inclusion from **60% to 75%.**
- **PLWD Access:** Promote inclusive product design with upgraded digital/physical interfaces.
- **Refugee (FDP) Inclusion:** Simplify KYC, promote documentation access.
    - o *Target:* Inclusion of FDPs from **30% to 70%.**
- **Formulate Women Financial Inclusion code:** Formulate and Implement the WE Finance code as a champion.

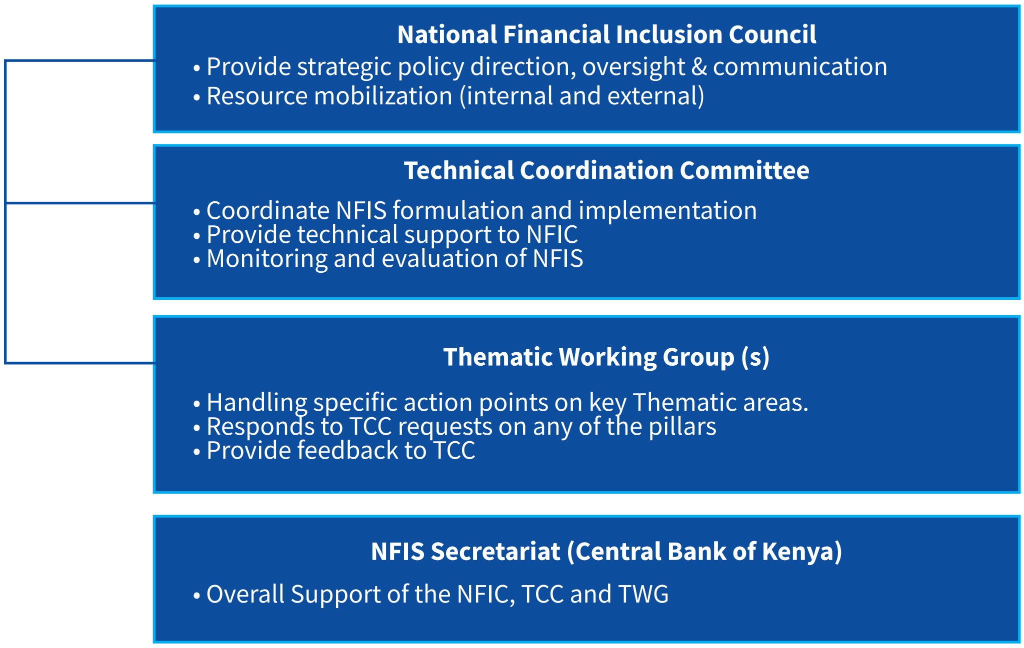
4. Implementation Strategy

The development and adoption of the NFIS is a public–private sector partnership process that requires effective coordination and cooperation with appropriate information sharing arrangements within established institutional structures. To ensure the success of the NFIS, several consultative engagements with stakeholders have been undertaken to build consensus, and buy–in. The NFIS will also benefit from an effective resource mobilization plan, including donor engagement, public-private partnerships, and sustainability strategies to enhance its success.

4.1 Governance Structure

The implementation of the NFIS will be done through three distinct players; a National Financial Inclusion Council (NFIC) playing an oversight role, a Technical Coordination Committee (TCC) and a Thematic Working Group (TWG) focused on specific issues such as financial inclusion measurement, financial literacy/ capability, consumer protection, technology and innovations (digital finance), and green finance. The day-to-day coordination will be handled by the Secretariat. This institutional arrangement will ensure a consistent coordinated approach towards enhancing financial inclusion in Kenya **(Chart 19).**

Chart 19: NFIS Coordination Structure

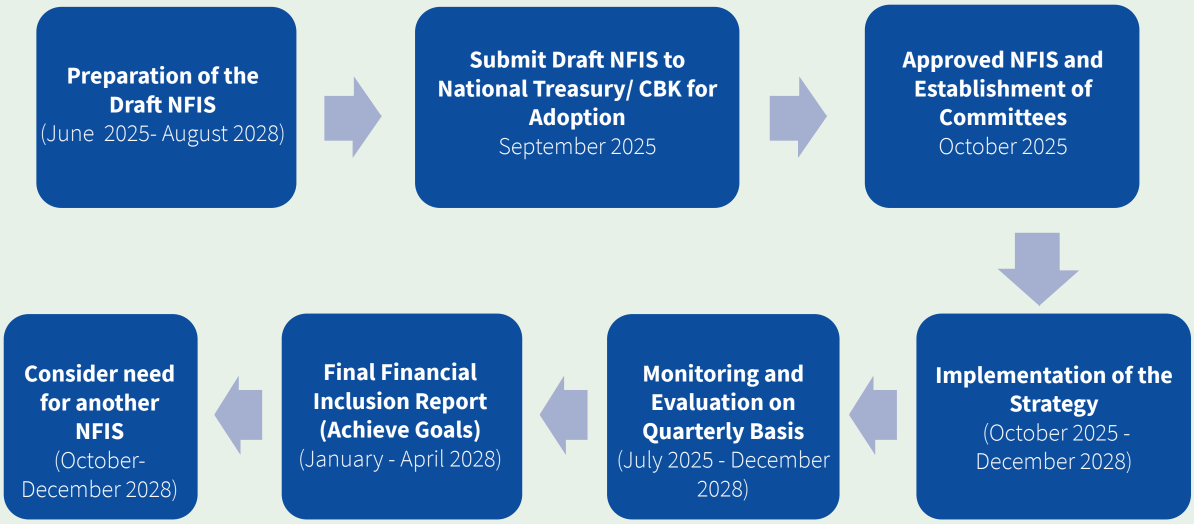


Membership is drawn from the relevant ministries, departments and agencies (MDAs) and Council of Governors (CoG), Financial Sector Regulators and private sector actors. The National Financial Inclusion Council will be chaired by Principal Secretary (PS), The National Treasury (TNT) while CBK will provide the Secretariat **(Annex III).**

4.2 Implementation Plan

The success of the strategy is pegged on the implementation matrix that outlines the strategic objectives, initiatives and activities with expected specific performance indicators, expected outcomes, and timelines **(Annex II).** The process for the development of the NFIS and the design of its framework is aimed at addressing specific national challenges and be adapted to our national short– and long– term policy objectives such as enhancing national savings and investment; promoting the creation of savings and investment habits; and ensuring financially educated and literate populace. The process is summarised as follows **(Chart 20).**

Chart 20: NFIS Development Process and Implementation Timelines



Source: CBK, 2024

4.3 Risk and Mitigation Strategies

To ensure the successful implementation of the National Financial Inclusion Strategy (NFIS) 2025–2028, it is critical to proactively identify, assess, and manage potential risks that could impede progress across the strategic pillars. The following risk matrix outlines the major categories of risks—ranging from policy, regulatory, strategic, governance, technological, financial, operational, and external threats—that may impact the implementation of NFIS initiatives. Each risk entry includes a description, affected stakeholders, the pillars it impacts, likelihood and severity ratings, as well as proposed mitigation measures and responsible parties. This structured approach facilitates informed decision-making, enhances institutional preparedness, and fosters adaptive management to achieve the NFIS objectives effectively and sustainably. Several risks have been identified and mitigation strategies proposed as summarized in **Table 8.**

Table 8: Implementation risks and mitigation strategies

No.	Risk Category	Risk Description	Stakeholders Involved	Pillars Affected	Likeli-hood	Impact	Risk Score	Mitigation Measures	Responsible Parties	Timelines
1	Policy Risk	Lack of overarching Financial Inclusion Policy and possible policy changes affecting NFIS	National Treasury and Planning	ALL	High	High	High	Directory of relevant policies that influence and are relevant to Financial Inclusion in the country	Secretariat	Mar-25
2	Regulatory Risk	Restrictive regulatory framework, from the consolidated Laws in the financial services sector	JFSR (CBK, IRA, CMA, KDIC, PCF, SASRA and RBA)	ALL	High	High	High	1)Regulatory reviews and reforms 2)Stakeholder Engagements 3)Regulatory sand boxes	Technical Coordination Council	Continuous
3	Strategic Risk	Possible oversights and omissions in strategy design and strategy implementation	1)National Financial Inclusion Council 2)Technical Coordination Council 3) 'Design and implementation of implementation matrix'	ALL	High	High	High	1)Clearly defined objectives to guide the strategy (SMART objectives) 2)Engage stakeholders in strategy design to ensure buy-in & Support	Technical Coordination Council Secretariat	Continuous
4	Governance Risk	Inadequate oversight and management of financial inclusion programs	1)JFSRF Members 2)Kenya National Bureau of Statistics 3)Financial Sector Deepening Kenya	ALL	High	High	High	1)Establish clear governance frame work 2)Integrate Risk management practises into the governance framework	Technical Coordination Council	Continuous
5	Stakeholder management risk	Inadequate support or collaboration between stakeholders and partners.	National Financial Inclusion Council	ALL	Medium	High	Medium	1)Comprehensive communication strategy 2)Strategic collaborations & agreements	Technical Coordination Council	Continuous
6	Data Security and Data management Risk	Possible loss of data and errors due to many data sources and possible data breaches	Communication Authority of Kenya (CA) Technical Coordination Council Office of the Data Protection Commissioner (ODPC)	ALL	High	High	High	Data management strategy	Technical Coordination Council AND Secretariat	Dec-25
7	Financial Literacy Risks	Inability to design and implement effective financial education programmes and campaigns	National Treasury and Planning	ALL	High	High	High	1)Needs Assessment: to understand the specific financial education needs of the target audience 2)Use diverse delivery channels to reach different segments of the population 3)Implement regular assessment to measure the impact of the program through feedback in order to implement necessary improvements where need be	Technical Coordination Council AND secretariat	Continuous

No.	Risk Category	Risk Description	Stakeholders Involved	Pillars Affected	Likeli-hood	Impact	Risk Score	Mitigation Measures	Responsible Parties	Timelines
8	Market Risk	Possible fluctuations in macroeconomic factors impacting access to financial services and products	Central Bank of Kenya	ALL	High	High	High	1)Diversification 2)Stress Testing to assess the resilience of financial institutions 3)Hedging strategies through use of financial instruments 4)Policy intervention	Technical Coordi-nation Council AND Secretariat	Continuous
9	Institutional Capacity Risk	Lack of ade-quate human resources and capacity to implement the strategic initiatives	The National Treasury and Planning	ALL	High	High	High	1)Resource Allocation to support institutional Capacity Risk 2)Strengthen Governance structures within organisations	Technical Coordi-nation Council AND Secretariat	Continuous
10	Social & Cultural Risk	Possible Social and Cultural barriers hindering implementation of strategic initiatives	JFSR, KNBS and FSD Kenya	ALL	High	High	High	1) Promoting financial literacy training and inclusion often focusing on marginalised groups 2)Adaptation of strategies that align with social & Cultural context of target audience	Technical Coordi-nation Council AND Secretariat	Continuous
11	Financial Risk	Inadequate financial and other resources for efficient strategy implementation	The National Treasury and Planning	ALL	High	High	High	Diversifying Funding sources Stakeholder Engagement	Technical Coordi-nation Council AND Secretariat	Continuous
12	Technological Risk	Big gap in access to digital services and rapid pace of technological advancements	Technical Coordination Council	ALL	High	High	High	1)Infrastructure development to ensure wider internet access 2)Digital Literacy Programs	Technical Coordi-nation Council AND Secretariat	Continuous
13	Communication risk	Lack of comprehensive communication framework to reach all stakeholders, partners and target population	National Financial Inclusion Council Technical Coordination Council	ALL	High	High	High	1. Develop a Strategic Communications Plan: that outlines communication goals, target audiences, key messages, and the channels you will use to reach each group	Technical Coordi-nation Council AND Secretariat	
14	Reputational risk	lack of over-arching legal framework for market conduct and discipline	JFSR, FSD AND KNBS	ALL	High	High	High	Collaboration of stakeholders to develop comprehensive legislation that defines market conduct and establish standards for business practises	Technical Coordi-nation Council AND secretariat	Continuous
15	Financial Crisis risk	Lack of national financial crises management framework	JFSR (CBK, IRA, CMA, KDIC, PCF, SASRA and RBA)	ALL	High	High	High	Comprehensive crises management framework	Technical Coordi-nation Council AND Secretariat	Continuous

No.	Risk Category	Risk Description	Stakeholders Involved	Pillars Affected	Likeli-hood	Impact	Risk Score	Mitigation Measures	Responsible Parties	Timelines
16	Accessibility Risk	Lack of tailored products to meet the needs of financially excluded and underserved	JFSR (CBK, IRA, CMA, KDIC, PCF, SASRA and RBA) Technical Coordination Council	PILLAR 1	High	High	High	1)Develop inclusive products that accessible and affordable 2)Segment targeted group to help develop product that cater to the unique needs of each segment 3) Strengthen the enabling infrastructure and policy for innovation; address constraints to affordability; strengthen access to data and information	Technical Coordination Council AND secretariat	Continuous
17	Consumer Protection Risk	Lack of confidence & trust in providers of financial products and services	JFSR (CBK, IRA, CMA, KDIC, PCF, SASRA and RBA)	ALL	High	High	High	1)Radical transparency to help build trust 2)Excellent customer service to enhance trust and loyalty	Technical Coordination Council AND secretariat	Continuous
18	Sustainably Risk	Lack of coordinated national approach to climate change, Green Finance and Sustainability	Technical Coordination Council	ALL	High	High	High	1)Policy framework that supports green finance initiatives 2) Capacity building for organisations to enhance their understanding of green finance	Technical Coordination Council AND Secretariat	Continuous
19	Operational Risk	Inadequate Data and Statistics on access, usage, quality and impact of financial services	JFSR (CBK, IRA, CMA, KDIC, PCF, SASRA and RBA) and Technical Coordination Council	ALL	High	High	High	1)Develop data strategy that aligns with the overall goal of financial inclusion and service improvement	Technical Coordination Council AND secretariat	Continuous
20	Force Majeure	political unrest, or global economic crises that disrupt planned activities, hinder stakeholder participation, limit resource mobilization,	"JFSR, TNT, FSPs, Donors, Civil Society Organizations Private Sector Players Target Beneficiaries "	ALL	Medium	High	High	Establish a contingency and resilience fund within the NFIS budget. Strengthen digital channels and remote service delivery to ensure financial inclusion activities continue during disruptions.	National Financial Inclusion Council	Continuous

4.4 Communication Strategy

The success of the NFIS is founded on a sound and effective communication strategy. The strategy provides a structured way of engaging with key stakeholders. The strategy will also define key Messages e.g. Develop core financial education messages, communication channels such as social media, town hall meetings, exhibitions etc, frequency of communication e.g. quarterly, yearly etc and the dissemination pack e.g. reports and publications. The communication strategy also defines the feedback mechanisms put in place to help identify gaps, progress made and areas requiring actions to ensure the implementation is successful and set targets are met. The specific objectives include:

i. To develop critical messages and appropriate channels for the targeted audiences.
ii. To ensure stakeholders have a shared vision, commitment, and coordinated approach in driving the financial inclusion agenda to achieve the intended goals.
iii. To establish a repository on the NFIS key milestones, implementation plan, and other relevant reports to be accessed by the stakeholders, the target audiences, and the public.
iv. To encourage participation of the public and private sector in promoting financial innovations to support the financial inclusion agenda and the generation of financial inclusion data.
v. To build the awareness of the target audience and the public on the importance of financial inclusion, provide feedback on the key milestones in the implementation of the strategy, and demonstrate the impact of financial inclusion on national sustainable development.
vi. To create mechanisms for implementing institutions to get feedback from the public.
vii. To raise awareness of NFIS activities for expanding financial inclusion and deepening in Kenya
viii. To provide platforms for sharing opportunities with public and private stakeholders to support financial inclusion initiatives.
ix. To expand the communication plan to include regular public updates, grassroots engagement, and mechanisms for stakeholder feedback and course correction.
x. Launch and celebrate a Kenya National Financial Inclusion Month in October of every year and run financial inclusion activities throughout the country.

Communication Plans for the Different Target Audiences

4.4.1 Women

Objective: Address barriers such as cultural norms, poverty, poor digital access, low financial literacy and lack of collateral for taking loans.

Key messages: Financial rights, property/ inheritance rights, and financial products targeted to women (chamas, savings groups, microcredit).

Communication Channels:

- Women's groups, chamas, merry-go-rounds, table banking, churches/ mosques, health clinics.
- SMS/WhatsApp in local languages (voice messages help low-literacy users)
- Partnerships with NGOs working on gender and microfinance
- Training-of-trainers with community women leaders
- Peer learning sessions and financial literacy champions storytelling
- National Financial Literacy Month roadshows held in all 47 counties.

Youth

Key Messages: Saving for future goals, increase the low youth formal inclusion, entrepreneurship financing, financial literacy, avoiding gambling, scams/debt traps.

Communication Channels:

- Social media (TikTok, Instagram, WhatsApp, YouTube, X)

- Game based mobile apps to promote financial literacy and financial inclusion
- Use of the CBK Numismatic Museum to teach financial literacy
- Radio shows on youth stations, podcasts
- Integration into schools, savings clubs, vocational training, and sports clubs
- Use of Youth financial literacy ambassadors to spread information about NFIS
- Hackathons, university challenges and entrepreneurship competitions
- Use of influencers and relatable peer role model
- National Financial Literacy Month roadshows held in all 47 counties specifically cater towards youth.

Rural Populations

Objective: Overcome information gaps due to low access to digital tools, low literacy levels, and geographic isolation.

Key Messages: Benefits of saving formally, how to access mobile banking/agents, consumer rights, and affordable financial products.

Communication Channels:
- Radio shows in local languages on financial literacy and financial inclusion programmes
- Barazas
- Community-based financial literacy champions (teachers, religious leaders, community leaders, chamas)
- Financial inclusion posters & comics in local markets, health centers, huduma centres.
- National Financial Literacy Month roadshows held in all 47 counties.
- Market day financial fairs
- Use of local storytelling and theatre groups for awareness

4. Persons with Disabilities (PWDs)

Objective: Ensure accessibility of financial services and financial information.

Key Messages: Accessible banking options, rights to equal financial services, available government support programs.

Communication Channels:
- Sign-language interpreted TV programs
- Braille pamphlets, accessible websites and mobile apps
- Partnerships with Disabled Persons Organizations (DPOs)
- Disability-inclusive financial literacy and financial inclusion workshops
- Training FSP staff on disability-sensitive service
- Peer support groups and mentorship
- National Financial Literacy Month roadshows held in all 47 counties specifically cater towards PWDs

5. Forcibly Displaced Persons

Objective: Provide information on legal identity, access to mobile money, remittances, and financial rights.

Key Messages: How to open accounts with minimal documentation, safe remittance channels, consumer protection.

Communication Channels:
- Humanitarian aid centers, refugee camps.
- Community radio in refugee-hosting areas and multilingual content
- Collaboration with NGOs/UNHCR on information dissemination.
- Peer educators from refugee communities
- Helpdesks at financial institutions near camps

6. Micro, Small, and Medium Enterprises (MSMEs)

Objective: Bridge knowledge gaps on business financing, digital payments, and business formalization.

Key Messages: Accessing affordable credit, digital payment adoption, tax compliance, business insurance.

Communications Channels:

- Business associations, chambers of commerce, SACCOs, Jua Kali Industry associations
- Trade fairs, agricultural shows, expos
- WhatsApp broadcast lists for MSME entrepreneurs
- Print (brochures, guides) and targeted online advertising
- MSME clinics (on bookkeeping, taxation, credit management)
- Partner with fintechs & banks to offer demos
- Success stories showcasing MSME growth

Multi-Channel Communication Delivery Framework

1. Mass Media: Radio, TV, print, and outdoor campaigns in local languages.
2. Digital Channels: Social media, SMS, apps, and WhatsApp groups.
3. Community-Level Engagement: Barazas, religious gatherings, schools, health centers, women/youth groups, farmer cooperatives.
4. Partnerships: NGOs, Financial Service Providers, fintechs, schools, and employers.
5. Accessibility: Adaptation for low literacy (visuals, audio), disability-friendly formats (sign language, braille).
6. Feedback Loops: Community listening sessions, financial inclusion hotlines, WhatsApp feedback groups, and monitoring impact surveys.

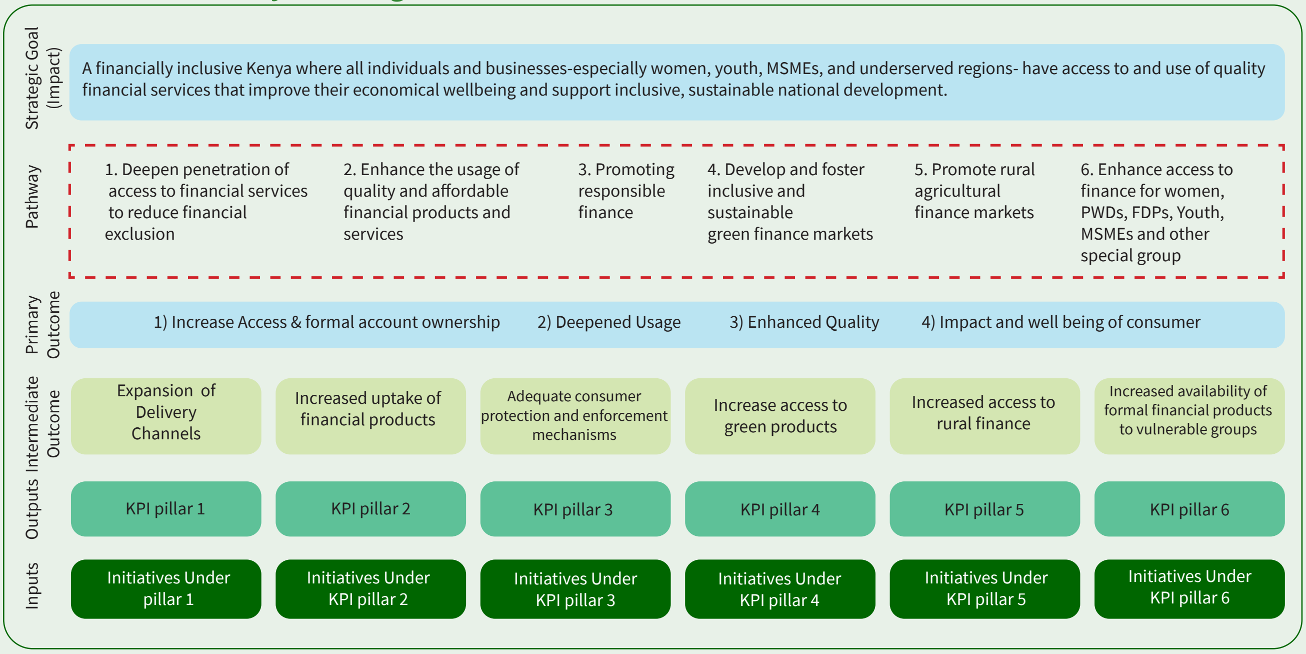
4.5 Funding Strategy

A multi pronged approach will be employed in rolling out various activities stated in the KPIs. Specific KPIs for implementation by particular institutions will be financed under the respective institutions' budget. However, KPIs on cross-cutting issues will be financed from a common pool whose resources will be drawn from contributions and grants from different agencies. Funding could be through direct financial support or indirectly through technical assistance or any other in kind support.

5. Monitoring and Evaluation Framework

The implementation of the NFIS will be supported by an effective continuous Monitoring and Evaluation (M&E) framework to ensure successful implementation of the Strategy. This is motivated by the Theory of Change (ToC) to bring out a comprehensive description and illustration of how and why a desired change is expected to happen. In this case, a bottom-up approach to map out initiatives that will be undertaken is assumed. The ToC ensures that the outputs and outcomes of the strategy are measurable through a set of elaborated indicators **(Chart 21)**.

Chart 21: NFIS Theory of Change



Routine Monitoring

Purpose: To track progress made in the implementation, challenges faced, and mitigation
strategies

Implementation & M&E Activities: Routine Monitoring

Purpose: To track physical and financial progress, detect implementation challenges, identify good practices

Process Monitoring:

- Regular collection of data (weekly, monthly, quarterly) to track progress
- Compare progress made against set targets.
- Review action plans.

Routine Data Collection & Analysis of Strategy Results:

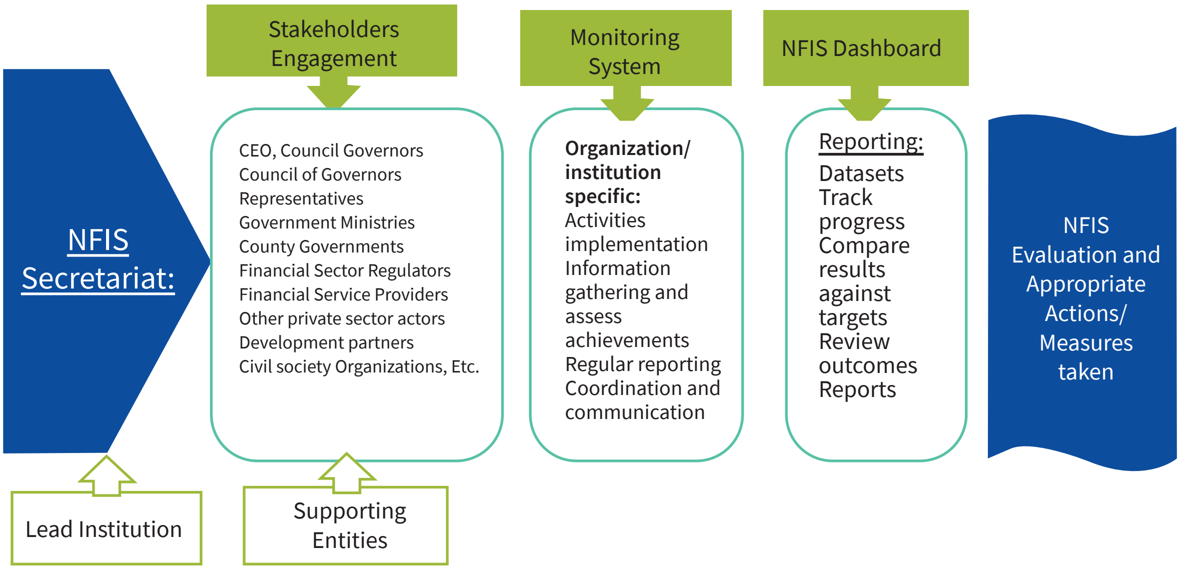
- Collection of data using defined formats.
- Documentation of success stories.

Quarterly Technical National Financial Literacy Working Group Meetings:

- Convened by NFIS Secretariat.
- Opportunity for cross-sector coordination and review of implementation progress towards set targets.
- Implementation agencies to submit monthly progress reports to NFIS Secretariat.

The NFIS will have an M&E tracking matrices to track achievements and progress made relative to the set strategic initiatives, Key Performance Indicators (KPIs) and outcomes **(Chart 22).** The M&E matrices will be coordinated by the NFIS Secretariat with each stakeholder reporting implementation progress in line with their internal monitoring systems. The Secretariat will prepare progress report on a quarterly basis based on the M&E framework.

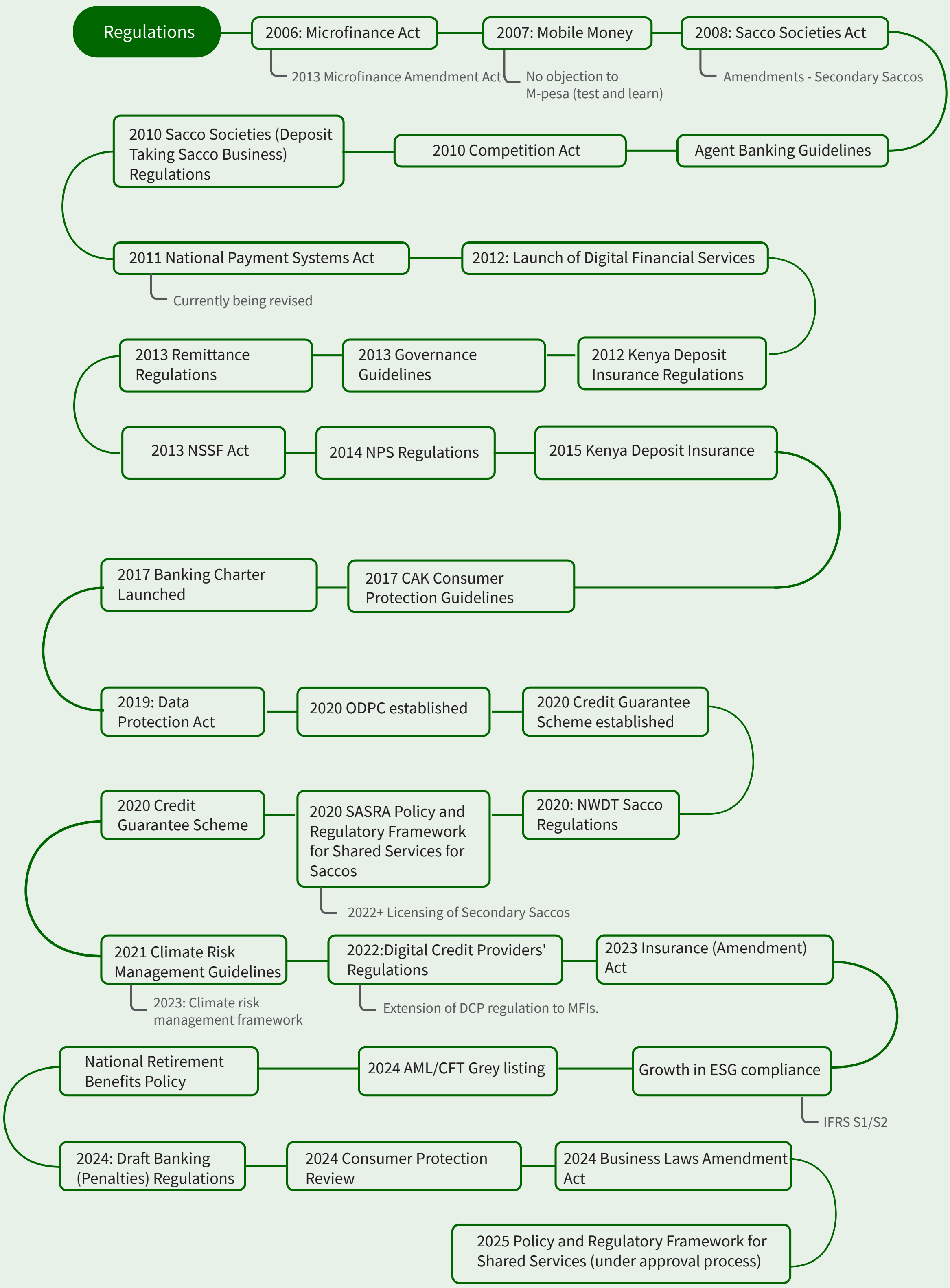
Chart 22: Monitoring and Evaluation Framework



To track progress made on each of the pillars, the NFIS will leverage the progress made in financial inclusion as specified in the baseline. At the end of the NFIS period, the performance will be reviewed against the set targets.

Annexures:

Annex I: Acts, Guidelines and Regulations Governing Kenya's Financial Ecosystem



Source: *Competition Authority of Kenya (CAK), Office of the Data Protection Commissioner (ODPC), Environmental, Social, Governance (ESG), Anti Money Laundering, Combatting the Finance of Terrorism (AML/CFT).*

Annex II: Country Experiences in NFIS Implementation

Country	NFIS Experience	Priority Areas
Tanzania	Implementing the 3rd NFIF (2023–2028) after significant progress in previous frameworks.	• Universal access to financial services • Digital financial adoption • Regulatory frameworks • Financial literacy
Uganda	NFIS II (2023–2028) aims to deepen financial inclusion with a focus on competitiveness and savings culture	• Reducing exclusion • Promoting gender-inclusive finance • Strengthening financial consumer protection
South Africa	Focuses on access, quality, and usage of financial services, emphasizing competition and innovation	• Low-income groups • Transactional banking • Digital finance, and SME access to credit
Morrocco	Launched NFIS in 2019, focusing on alternative financial models and digital payments.	• Financial literacy • Rural financial access • MSMEs, and women/youth inclusion
Zambia	Second strategy (2024–2028) with a target of 85% financial inclusion.	• MSMEs • Rural populations • Financial consumer protection, and • Digital finance
Nigeria	Revised strategy (2020–2024) focuses on digital finance and agent banking.	• Digital financial services • Credit access • SME finance, women's inclusion

Annex III: Financial Inclusion Coordination and Implementation Structure

NFIS Structure	Key Stakeholders
1. National Financial Inclusion Council (NFIC) (14 members) a) Leadership • Chaired by the Principal Secretary (PS), The National Treasury (TNT) b) Membership • PSs of relevant ministries (Ministry of cooperatives and MSMEs, Youth, Gender, Education and ICT) • The Governor of CBK • CEOs of other domestic financial sector regulators • National Champion of WE Finance Code • CEO of KBA • Director General, KNBS c) Secretariat- CBK	PS TNT, Governor CBK; Ministry of Basic Education, Ministry of Cooperatives and MSMEs; CEOs,-RBA, CMA, IRA, KDIC, PCF, SASRA, DG KNBS. Roles and responsibilities • Provide strategic policy direction, oversight & communication. • Resource mobilization (internal and external). • Review and approve the Action Plan to achieve financial inclusion goal. • Provide direction on any other issues related to the implementation of the financial inclusion initiatives as needed, to advise the government on the best way forward. • Review Financial Inclusion implementation progress. It will meet at least twice a year (once every six (6) months) and when there is any urgent matter that requires policy guidance or decision. *NFIC reserves the right to invite other members to the TCC, as and when need arises.

2. Technical Coordination Committee (TCC)
a) Leadership
• Chaired by Deputy Governor CBK
b) Membership
• Director level TNT
• Director level, relevant departments/ agencies in the line ministries (In number 1. above)
• Joint Financial Sector Regulators members Capital Markets Authority (CMA), Insurance Regulatory Authority (IRA), Retirement Benefits Authority (RBA), Sacco Societies Regulatory Authority (SASRA), Kenya Deposit Insurance Corporation (KDIC), and Policyholders Compensation Fund (PCF).
• Industry Associations (Kenya Bankers Association, Kenya Stock Brokers Association and Digital Financial Services Association of Kenya)
• Relevant departments of CBK (Banking and Payments, Research, Financial Markets, Governor's Office, Bank Supervision and Currency Operations Departments)
c) Secretariat- CBK
	Roles and responsibilities
	• Coordinate NFIS formulation and implementation including:
	  * Coordinates all inputs into the NFIS from all stakeholders.
	  * Measure performance as per developed indicators.
	  * Review indicators
	• Review Action Plans and provide technical support to the NFIC.
	• Prepare progress report and recommendations on the implementation of the Financial Inclusion activities for submission to the NFIC.
	• Provide technical advice to the Thematic Technical Working Groups.
	• Implement strategic and policy decisions of the NFIC.
	• Support implementing institutions on financial inclusion technical issues.
	• Monitoring and evaluation of NFIS.
	• Identify critical obstacles to perform Financial Inclusion activities (referring to the Action Plan).
	
	It will meet at least quarterly, and when there is any urgent matter that requires policy guidance or decision.
	
	TCC form a link between institutions and the Committees as members/ stakeholders share experiences on initiatives and challenges faced by their institutions in the efforts to implement financial inclusion.

3. Thematic Working Group (TWG) – A standing Working Group bringing together technical staff from NFIC member institutions and industry associations (no individual entities). The TWG will be handling specific action points on key thematic areas, Responds to TCC requests on any of the pillars and provide feedback to TCC. The TWG will also provide a platform for feedback on the action plan's implementation, creating synergies, and fostering collaboration. They include; SASRA, RBA,IRA, KDIC, PCF, CMA and CAK. NB: Specific institutions will be responsible for implementing actions under their mandate, leveraging working groups for coordination, feedback, and collaboration.	
4. NFIS Secretariat (13 members) a) Leadership • Chair- Financial Inclusion and Innovation, CBK Research Department b) Membership • Banking and Payments, Research, Financial Markets, Governor's Office, Bank Supervision and Currency Operations Departments.	**Roles and responsibilities** • Provision of secretarial services to all Committees, TWG, NFIC and TCC • Day-to-day administration; and progress reporting on financial inclusion activities. • Collecting and compiling Financial Inclusion information and distributing this information when required. • Organize all meetings for the various teams and committees aimed at advancing the Financial Inclusion agenda for Kenya. It will meet at least once monthly, and when there is any urgent matter to attend to.
5. Financial Inclusion Advisory Group (FIAG)– Organizations mainly drawn from the development partners keen on promoting and advocating for greater financial inclusion, fundraising and technical support. Their main role is to monitor the progress made and offer advice to the stakeholders. They include: IFAD, FSD Kenya, AFI, World Bank, UN Women, UNHCR, Women's World Banking, Technical Service Providers -Microsave, Gates Foundation, AGF, AFD, Oxfam, FSD Africa, Commercial Banks, Banks and Microfinance Institutions, Insurance Companies, Brokerage Firms, SACCOS, MFIs, Telcos, Media Companies, Financial Industry Associations, NGOs, Other Organizations involved in Financial Inclusion Programmes.	

Annex Iv: Implementation Plan

Pillar 1: Deepen penetration of access to financial services											
Gaps that NFIS will address	**Key Performance Indicator**	**Data Source**	**Baseline (2024)**	**Target (2028)**	**Expected Output**	**Strategic Initiative**	**Activity**	**Outcome**	**Timeline**	**Level of Priority**	**Actors**
Lack of Primary Identification	% of people above age 18 with a National ID	National Registration Bureau	93.8%	95%	Increased access to formal financial accounts	Improve access to identification	Deploy mobile NRB units to remote regions	More people able to open bank/ mobile money accounts	2025–2028	High	Ministry of Interior, NRB, County Governments
Limited Infrastructure	% of sub-locations with access to reliable mobile network (3G/4G or higher)	CAK, MNO Reports	68%	90%	Increased digital connectivity in underserved regions	National Digital Infrastructure Expansion	Partner with MNOs to expand network coverage	Improved access to digital financial services	2025–2028	High	CAK, Ministry of ICT, MNOs, USF
Limited Rural Finance Provision including branches and currency centres	# of rural branches and institutions	CBK, SASRA	TBD	TBD	Expanded financial service access points in rural areas	Rural Finance Strategy	Partnership with financial institutions to increase finance access points in rural areas	More robust and inclusive rural financial institutions	2025–2028	Medium	CBK, SASRA, Treasury, FSPs
Low Savings Culture	National savings rate	KNBS	68.1%	74%	5.9% increase in savings	Promote savings culture	Run public awareness campaigns and incentives	Households improve financial resilience	2025–2028	Medium	CBK, Treasury, FSD Kenya, Media, Employers
Low Uptake of Financial Products	% of adults using payment products	FinAccess	52.6%	90%	Greater product usage	Financial Access Promotion	Promote bundled and digitally accessible products	Increased credit, savings, and insurance use	2025–2028	Medium	CBK, FSPs, Telcos, Fintechs
Low Income Levels	Annual income per capita	KNBS	KES 266,473	KES 300,000	10.6% rise in average income	Improve financial wellbeing	Deliver financial advisory and link to credit	Households achieve economic independence	2025–2028	Medium	KNBS, KRA, MoF, CBK
Pillar 2: Enhance the usage of quality and affordable financial products and services											
Gaps that NFIS will address	**Key Performance Indicator**	**Data Source**	**Baseline (2024)**	**Target (2028)**	**Expected Output**	**Strategic Initiative**	**Activity**	**Outcome**	**Timeline**	**Level of Priority**	**Actors**
Plateau in Mobile Money Usage	% of adults using mobile money	FinAccess, CBK	82.3%	90%	Higher frequency of mobile transactions	Foster interoperability	Roll out Fast Payment System (FPS)	Enhanced customer experience	2025–2028	High	CBK, Telcos, FSD Kenya
High Transaction Cost	Avg. cost per mobile transaction (KES)	CBK, KNPS	23	10	Reduced cost for users	Promote transparent pricing	Enforce P2P fee caps	More affordable DFS	2025–2027	High	CBK, Telcos, Parliament
Inadequate Interoperability	% of FIs using interoperable APIs	CA, CBK ICT reports	35%	85%	Broader system integration	Open API Standards Development	Publish API guidelines and support adoption	Easier cross-platform services	2024–2025	High	CBK, CA, FSPs
Inadequate usage of financial services.	Feasibility study on open finance framework in Kenya	JFSR reports	N/A	Issued report	Feasibility study on Open Finance within 1 year	Digital economy development	Publish report on Feasibility study on Open Finance	Data for decision-making on next steps on open finance.	2025-2026	Medium	CBK, JFSR, FSD Kenya, CENFRI
Inadequate usage of financial services.	Development of guidance on inclusive adoption of emerging technologies such as AI and DLT.	JFSR reports	N/A	Issued guidance	Guidance on inclusive adoption of emerging technologies.	Digital economy development	Publish guidance on inclusive adoption of emerging technologies within	Guidance on inclusive adoption of emerging technologies within the financial sector	2027-2028	Medium	CBK, JFSR, FSPs
Low Active Usage of Bank Accounts	% of active bank account users	FinAccess, CBK	45.6%	60%	More meaningful engagement with bank services	Product Innovation	Segment users and tailor products	Regular savings and payments via banks	2025–2028	Medium	CBK, FSPs, Fintechs
Decline in Formal Savings	% using formal savings tools	FinAccess	68%	75%	More resilient households	Digitize Savings Solutions	Promote savings apps, groups, incentives	Increased household liquidity	2025–2028	Medium	CBK, MFIs, SACCOs
Limited Investment Uptake	% using investments/ insurance	FinAccess, CMA	4%	15%	Increased wealth accumulation	Promote Financial Literacy	Run campaigns on investments and insurance	Better long-term planning	2025–2028	Medium	CMA, IRA, FSPs

Pillar 2: Enhance the usage of quality and affordable financial products and services											
Gaps that NFIS will address	**Key Performance Indicator**	**Data Source**	**Baseline (2024)**	**Target (2028)**	**Expected Output**	**Strategic Initiative**	**Activity**	**Outcome**	**Timeline**	**Level of Priority**	**Actors**
Low Uptake of Insurance	% using insurance products	FinAccess, IRA	15%	50%	Enhanced protection from shocks	Education and Inclusion	Targeted consumer education programs in counties	Increased insurance adoption	2025–2028	Medium	IRA, MoE, FSPs
	Number of micro-insurance policies issued	FinAccess, IRA	15%	50%	Increased uptake of Insurance	Focused attention on micro-insurance	Licensing of micro-Insurers Promotion of innovation to broaden out reach	Number of Insurers licensed and the number of innovative products linked to micro-insurance	2025–2028	Medium	IRA, MoE, FSPs
Low Digital Remittance Usage	% using digital remittance	FinAccess, CBK, WB	17%	35%	Faster, cheaper remittances	Promote Remittance Digitization	Develop cross-border frameworks	Increased diaspora inflows	2025–2028	Medium	CBK, WB, Telcos
Inadequate Customer-centric Design	% of FSPs with MSME/women/youth-specific products	FinAccess	TBD	60%	Products better aligned with needs	Inclusive Product Design	Incentivize product co-creation	Widened reach and usage	2025–2028	High	CBK, FSPs, Saccos, Fintechs
Fragmented Market Conduct and consumer protection legal framework	Development of Overarching Financial services market conduct and consumer protection legal framework	JFSR, CAK	Existing framework has limited coverage	Framework covering whole sector	Market Conduct and Consumer Protection framework in place	Establish comprehensive framework	Draft and pass legislation	Strengthened legal and regulatory environment	2025–2028	High	JFSR, CAK
Lack of a Financial Literacy and Capability Framework	Level of Awareness of Financial products	FinAccess, ICIFA, CMA, CBK, RBA, IRA, SASRA	42.1%	70%	Increased awareness and decision-making	Develop overarching literacy framework	Segment target populations, apply AI approaches	Higher informed financial participation	2025–2028	High	FSD, MoE, JFSR (PR & Comms)
	% of higher education students reached through financial literacy programs	Student surveys, Universities' annual reports	15%	80%	Wide coverage of financial literacy programs	Promote awareness and outreach campaigns in universities	Partner with banks, fintechs, and regulators to deliver annual financial literacy workshops/ seminars	Increased financial capability among youth	2025–2028	High	Universities, CBK, FSPs, HELB, Student Associations
Prevention of over-indebtedness	Proportion of over-indebted individuals	FinAccess, CRB	TBD	30% reduction	Responsible borrowing and financial resilience	Reduce over-indebtedness	Enforce credit assessment and caps	Lower over-indebtedness	2025–2028	Medium	JFSR, CRB, FSPs
Weak enforcement of consumer compensation laws	% of providers compliant with compensation guidelines	Regulatory Reports	TBD	90%	Enhanced compliance and accountability	Improve compliance mechanisms	Conduct audits on compensation practices	Increased consumer trust	2025–2028	Medium	JFSR
Lack of clear recourse mechanisms for digital wallets	Existence of e-money consumer compensation framework	CBK, Telco Reports	TBD	Full implementation by 2026	Strengthened confidence in digital finance	Establish e-money consumer protections	Enact digital finance protection laws	Enhanced safeguards for DFS users	2025–2028	High	JFSR, CAK, Telcos
Limited financial literacy in education, cyber crime and related risks	% of schools with integrated financial education curriculum	MoE, KICD	TBD	100%	Improved financial education from early age	Institutionalize school-based financial literacy	Integrate financial literacy modules in curricula	Improved knowledge among students	2025–2028	High	MoE, KICD, JFSR
	% of financial institutions deploying AI/ ML-based fraud detection systems	CBK Supervisory Reports, FSD Kenya surveys	25% (2024 est.)	70%	Increased adoption of advanced fraud detection	Strengthen cyber resilience through emerging technologies	Promote adoption of AI/ML solutions for real-time monitoring of suspicious transactions	Reduced cybercrime incidents and faster detection of fraud	2025–2028	High	CBK, Financial Institutions, ICT Authority, RegTech firms
Low public awareness of rights and protections	# of annual financial literacy campaigns	NFIS Reports, Regulators	TBD	TBD	Improved financial decision-making	Scale public financial literacy	Run annual nationwide campaigns	Increased population awareness	2025–2028	Medium	JFSR, FIs

Pillar 3: Strengthen consumer protection, market conduct, financial literacy											
Gaps that NFIS will address	**Key Performance Indicator**	**Data Source**	**Baseline (%)**	**2028 Target (%)**	**Expected Output**	**Strategic Initiative**	**Activity**	**Outcome**	**Timeline**	**Level of Priority**	**Actors**
Weak enforcement of market conduct laws	% of violations resolved	Regulatory data	TBD	90%	Enhanced compliance	Strengthen enforcement mechanisms	Set resolution benchmarks	Increased timely dispute resolution	2025–2028	Medium	JFSR
Inadequate framework for consumer value protection	Establishment of multi-regulator oversight framework	JFSR, KDIC, NFIS Reports	40%	Fully operational by 2027	Enhanced consumer coordination and supervision	Harmonize oversight mechanisms	Form inter-agency committee	Better regulatory alignment	2025–2028	Medium	JFSR
Lack of national crisis response framework	Operationalization of National Financial Crisis Management Framework	JFSR, National Treasury		100% operational by 2026	Strengthened crisis response capacity	Establish financial crisis preparedness	Develop and implement crisis framework	Resilient financial system	2025–2028	High	Treasury, JFSR
Inadequate stakeholder management	# of active collaborations and partnerships	NFIS Reports			Improved stakeholder alignment	Strengthen partnerships	Facilitate collaboration forums	Increased coordination and resource use	2025–2028	Medium	NFIS, JFSR, Development Partners
Insufficient PPPs in literacy programs	# of PPP agreements for financial literacy	NFIS Reports			Sustainable literacy funding	Formalize PPPs	Sign MOUs with FIs and development actors	Stronger program delivery	2025–2028	Medium	JFSR, Development Partners, FIs
Inappropriate product design	% of tailored products meeting consumer needs	Market Review Reports			Customer-specific financial tools	Promote inclusive product design	Conduct segmentation and preference research	More relevant and used financial products	2025–2028	Medium	FSPs, JFSR, Saccos

Pillar 4: Develop and foster inclusive and sustainable Green Finance											
Gaps that NFIS will address	**Key Performance Indicator**	**Data Source**	**Baseline**	**Target (2028)**	**Expected Output**	**Strategic Initiative**	**Activity**	**Outcome**	**Timeline**	**Level of Priority**	**Actors**
Lack of standard green finance taxonomy	Status of KGFT adoption	National Treasury, CBK, CMA	Draft taxonomy	100% adoption	Approved taxonomy adopted across regulators	Finalize and adopt KGFT	Gazette and disseminate taxonomy	Unified definition of green finance	2025–2028	High	JFSR, National Treasury
Limited green portfolios	% of FI portfolios in green finance	CBK Reports	5%	10%	Expanded green lending	Expand green product range	Provide green incentives, set portfolio targets	Sustainable sector investment	2025–2028	Medium	CBK, FIs, NEMA
No carbon market	Existence of carbon trading framework	CMA, NSE	None	Functional market	Regulated carbon trading market in place	Develop regulatory framework	Draft and implement carbon legislation	Greenhouse gas mitigation	2025–2028	Medium	CMA, NSE, MoE
Low green finance uptake	% adults using green finance products	FinAccess		10%	More consumers accessing green finance	Promote green product use	Launch public awareness campaigns	Environmentally conscious financing	2025–2028	Medium	FSPs, JFSR, NGOs
Limited green finance capacity	% of FSPs trained in green finance	Regulator surveys	20%	40%	Stronger institutional capacity	Build technical capacity	Train and certify FSP staff	More FSPs offering green products	2025–2028	Medium	CBK, CMA, SASRA, Donors

Pillar 5: Foster and Promote agriculture finance											
Gaps that NFIS will address	**Key Performance Indicator**	**Data Source**	**Baseline**	**Target (2028)**	**Expected Output**	**Strategic Initiative**	**Activity**	**Outcome**	**Timeline**	**Level of Priority**	**Actors**
Low agri-credit access	% farmers accessing formal agri-credit	FinAccess	43%	60%	Broader credit access	Expand inclusive agri-finance	Partner with FSPs to scale outreach	More productive farming	2025–2028	High	CBK, MoA, FSPs
Poor loan targeting	% of loans aligned to crop/livestock cycles	FinAccess	TBD	90%	Better repayment performance	Align credit with agri-cycles	Develop seasonal repayment plans	Reduced loan default	2025–2028	Medium	FSPs, CBK, KNBS
Weak post-loan support	% farmers receiving post-finance support	MoA, FinAccess	5%	70%	Higher financial literacy	Integrate advisory services	Train extension officers on finance	Informed farm management	2025–2028	Medium	MoA, CBK
Low agri-insurance uptake	% of loans bundled with insurance	FinAccess	19.3%	50%	Climate risk mitigation	Bundle loans with insurance	Promote bundled products	Risk-resilient agriculture	2025–2028	Medium	IRA, MoA, CBK

Pillar 6: Improve Access to Finance for Women PWDs, Youth, MSMEs, Informal Sector & FDPs											
Gaps that NFIS will address	**Key Performance Indicator**	**Data Source**	**Baseline**	**Target (2028)**	**Expected Output**	**Strategic Initiative**	**Activity**	**Outcome**	**Timeline**	**Level of Priority**	**Actors**
Low financial literacy in women	% of women perceived to be financially literate	FinAccess	35%	70%	More awareness of products	Increase outreach to women	Run financial literacy campaigns	Empowered decision making	2025–2028	High	SDGAAA, JFSR, MoG, FSD, AFI, Financial Institutions
Poor digital access (rural women)	% rural women with internet/mobile	FinAccess	30%	60%	Improved digital inclusion	Improve connectivity for women	Distribute low-cost smartphones	Access to DFS and savings tools	2025–2028	High	SDGAAA, JFSR, MoG
Lack of a code to govern financial inclusion for women	Number of institutions signed up for the WE finance code	FSD/ CBK	N/A	80%	Operational WE Finance code	Mobilise the adoption of WE finance code through PPP	Formulate and Implement finance code for women	Enhanced women financial inclusion	2025–2028	High	FSD, CBK, Women World Banking
Low youth formal inclusion	% youth formally financially included	FinAccess	60%	75%	More youth using financial products and services	Expand youth finance initiatives	Run youth-targeted savings/ investment products	Enhanced savings, resilience	2025–2028	Medium	SDGAAA, JFSR, MoG
Low financial access for PWDs	% FSPs offering accessible financial products and services	FinAccess	<10%	80%	Inclusive financial infrastructure	Improve FSP accessibility	Upgrade digital and physical access channels	More equitable service delivery	2025–2028	Medium	SDGAAA, JFSR, MoG
Low MSME product diversity	# tailored MSME financial products and services	FinAccess, FIs	3	≥30	Broader credit and savings coverage	Innovate MSME solutions	Promote sector-specific financial tools	Higher MSME growth and sustainability	2025–2028	High	SDGAAA, JFSR, MoG
Low inclusion of FDPs	% of FDPs with ID or mobile accounts	FinAccess, UNHCR	30%	70%	Higher access to savings/loans	Enhance ID/ document access	Simplify KYC for refugees/ displaced	More inclusive participation	2025–2028	Medium	SDGAAA, JFSR, MoG
Lack of Primary Identification for youth	% of people between age 18 to 25 with National ID	National Registration Bureau	91.6%	98%	Increased access to formal financial accounts	Improve access to identification	Deploy mobile NRB units to rural regions	More people able to open bank/ mobile money accounts and invest	2025–2028	High	SDGAAA, JFSR, MoG
Limited Digital Infrastructure	% of sub-locations with access to reliable mobile network (3G/4G or higher)	CAK, MNO Reports	68%	90%	Increased digital connectivity in rural areas	National Digital Infrastructure Expansion	Partner with MNOs to expand network coverage	Improved access to digital financial services and investments	2025–2028	High	SDGAAA, JFSR, MoG
Lack of gender disaggregated supply side data	% of gender-disaggregated data by FSPs	FSP data, regulator reports	TBD (est. 40% coverage)	100% coverage	Informed products design and better program development with a gender lens.	Gender-disaggregated data from FSPs and regulator reports.	Collect disaggregated data	Better financial products and services for women	2025-2028	High	SDGAA, CBK, FSD, FIs

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