



Laikipia County and Co-op Bank Partner to Launch Laikipia Enterprise Fund

Nairobi, 6 July 2020....The Laikipia County Government and the Co-operative Bank of Kenya (Co-op Bank) have today launched the **Laikipia Enterprise Fund** with an initial kitty of **Ksh 300 million**, to offer affordable financing and business support to co-operatives and entrepreneurs in Laikipia County.

To kick-off the Fund, the bank and the county government have entered into an **Interest-Sharing and Guarantee Arrangement**. This is aimed at supporting two key segments;

First, to empower **co-operatives** in Laikipia County through affordable financing and Consultancy Services, to enable them have sufficient liquidity for lending to members, and strengthen their management structures, and

Second, to support over 7,000 entrepreneurs in Laikipia County recover from the challenges of the Covid-19 Pandemic by way of affordable financing and training.

Borrowers will pay single-digit interest rates, which makes this arrangement perhaps the most affordable lending program in Kenya today. The low interest rate has been made possible by the interest-sharing arrangement, whereby the Laikipia County Government will be offering an **interest subsidy of 5 per cent**, thereby reducing the bank lending rate from 12.1 per cent to 7.1 per cent per annum for all borrowers.

In addition, borrowers will enjoy a reduced appraisal fee at 1.5 per cent of the approved loan amount.

Co-op Bank will match three times the amount that the County Government will place in the Enterprise Fund, to ensure as many borrowers benefit from the opportunity. In addition to financing, the bank will make available the full basket of services that include digital banking tools, workshops for business training, and capacity-building consultancy services for co-operatives.

Repayment period for the loans will be upto 12 months for SMEs and upto 18 months for co-operatives.

The county government shall undertake initial vetting of loan applicants as provided for in the Laikipia County Enterprise Fund Regulations 2020. Co-op Bank will further appraise for qualification.

The Laikipia Enterprise Fund commences operations immediately.

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