

SPECIAL REPORT

SMEs find new lease of life after Covid struggles

SMEs are reaping from new initiative to support their recovery following the economic disruptions caused by the pandemic.

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Kenya's micro, small and medium enterprises (MSMEs) are the backbone of the economy, driving innovation, creating jobs and sustaining livelihoods across the country.

However, one of the main challenges they face is limited access to the capital needed to grow and expand their businesses.

Take, for instance, Purity Macharia, who manages a small shop selling food items in the Kwamaiko area of Githunguri Sub-County, Kiambu County.

Since 2013, she had not expanded her shop due to a lack of access to capital, which caused her business to stagnate. During this period, supporting her family was also difficult, as she relied entirely on the shop's proceeds.

"The little profit I was making was used to pay household bills, such as buying food and clothes and covering school fees for my three children. Since it was a small business, it was not easy to grow," she says.

However, this changed when she was introduced to the Supporting Access to Finance and Enterprise Recovery (SAFER) Programme, implemented by the Kenya Development Corporation (KDC) in partnership with the World Bank and the National Treasury Project Implementation Unit (PIU).

The SAFER Programme was established to support the recovery and resilience of MSMEs following the economic disruptions caused by the Covid-19 pandemic in Kenya, thereby fostering post-pandemic recovery and long-term growth.

Purity explains that in 2025, she took an initial loan of Sh30,000 from Githunguri Dairy Cooperative (GDC) Sacco Society Ltd, which she invested in expanding her business. She increased her stock of foodstuffs, including rice from Mwea, which she had not stocked before.

She also boosted the float for her M-Pesa business and used the remain-



Purity Macharia, in her shop at Kwamaiko area of Githunguri, Kiambu [Nanjinia Wamuswa, Standard]. INSET: Patrick Kung'u, a dairy farmer, on his farm in Kiambu. [Nanjinia Wamuswa, Standard]



"Today, my cows have enough feed. I no longer worry about where to get it. I harvest and store it for future use."

Doris Kamau, dairy farmer



ing amount to buy fertiliser for her tea farm. After repaying the first loan, Purity took a second loan of Sh30,000 in January this year. She says the expansion has already yielded results.

"In a day, I now sell more foodstuffs and transact more money through M-Pesa, and my tea farm has also started generating income. In fact, I even employed a farmhand to take care of the tea farm, as I became busier with the shop," she says.

Although the mother of three now earns a higher income, which allows her to pay her bills with ease, she is focused on securing additional financing.

She plans to invest in banking agent services, as more clients are increasingly enquiring about them, and to expand into poultry farming.

KDC Director General Norah Ratemo says the programme works through regulated financial intermediaries, including commercial banks, micro-finance institutions and Saccos, to extend affordable credit to MSMEs, particularly those operating in underserved segments of the economy.

They have extended a facility of

Sh500 million, which has benefited over 10,000 MSMEs within the dairy value chain, including farmers and small dairy businesses in Kiambu. They are accessing affordable financing to sustain and grow their enterprises. Additionally, they have supported more than 11,000 youth and women through various Saccos and cooperatives.

"We are already seeing the impact: growth in businesses, increased membership support, and stronger enterprises. This is the true essence of the SAFER programme," Ratemo says.

Patrick Kung'u, a dairy farmer, started dairy farming 10 years ago with two cows. Over time, he has grown his herd to 20 cows, milking between 120 and 200 litres daily depending on the number of lactating animals. He supplies the milk to the cooperative society at Sh49 per litre.

He says the loan came in handy at a time when the lorry used for farm transport had mechanical problems. He took a loan of Sh100,000, which he used to repair the lorry and increase his stock of feeds.

"I buy feeds in tonnes, so when the money came, I was facing a shortage. With the funds, I bought more and now have enough stock," he says.

He took the second loan worth Sh90,000 and invested in purchasing more feed.

Kung'u believes the loan limits should be increased to over Sh1 million to allow for greater expansion.

The programme has supported over 55,000 MSMEs across 38 counties to access financing, sustaining more than 30,000 jobs.

Notably, 36 per cent of the benefi-

ciaries are women-owned enterprises, while 35 per cent are youth-led businesses, underscoring the programme's critical role in advancing financial inclusion and inclusive economic growth.

Through GDC Sacco, members can access loans for working capital, including financing for digital phones. Loan amounts range from Sh1,500 to Sh100,000.

GDC Sacco Chief Executive Officer, Dr Charles Kioko, explained that the Sacco has made significant investments in digital lending solutions, including the Kwamua Digital and Bonyeza loan products.

These platforms enable members to access quick, convenient, and affordable credit through mobile services.

Entrepreneurs have praised the digital financing solutions, noting that they have made a substantial difference in their businesses and livelihoods.

Kung'u shares his experience, saying, "Unlike in the past, when one had to queue at financial institutions for hours before securing a loan, the process has now been simplified. I can access funds from the comfort of my home, receive the money via M-Pesa, and use it as needed to buy feeds, support my family, pay school fees, and assist others in need."

Ratemo says this programme aligns with the government's Bottom-Up Economic Transformation Agenda (BETA), which places MSMEs at the centre of Kenya's economic transformation.

MSMEs contribute approximately 40 per cent of Kenya's GDP and account for over 80 per cent of employment, making them a vital pillar in driving inclusive growth and job creation.

"The growing adoption of digital lending solutions is further enhancing efficiency by reducing turnaround times and expanding access to credit, enabling entrepreneurs to scale their businesses and improve resilience," Norah explains.

Doris Kamau started her dairy farming journey in 2018 with a single calf she had purchased for Sh55,000. For a long time, she struggled with the high cost of feeds, often spending significant amounts of money to sustain her livestock.

However, after taking a Kwamua loan worth Sh12,000, she invested in yellow maize seeds and began planting maize for silage.

"Today, my cows have enough feed. I no longer worry about where to get it. I harvest and store it for future use," she says.

She now owns seven cows, four of which are lactating, producing a total of 45 litres of milk daily. She sells the milk to a dairy processor at Sh49 per litre.

SMALL BUSINESS, BIG NETWORKS

How data can be the bedrock of your enterprise's growth



BY DR LYDIAH KIBURU

In many small businesses, decisions are made based on experience. You know which customer pays on time, which product sells quickly, and which supplier causes delays.

This knowledge is valuable because it comes from being close to your business daily. But in today's economy, experience alone is no longer enough.

Fast-growing businesses are those that combine experience with data. For many small and medium enterprises, the word "data" can feel distant or technical.

It sounds like something used by large corporations or technology companies. In reality, every small business already has data.

Your daily sales, your payments, your customer records, and even your phone messages are all forms of data. The question is whether you are using it to grow your business.

Think about a simple example. If you run a retail shop, you know what you sold today. But if you look more closely, your records can tell you much more.

Which products sell most often? Which days are busiest? Which customers return regularly? Which items stay on the shelf too long? Without this information, you may continue stocking products that do not sell or miss opportunities to grow what is already working.

As your business becomes part of a wider business network, data becomes even more important. Your suppliers can see how often you order and how reliably you pay.

Your customers can see whether you deliver on time. Digital platforms track how quickly you respond and how consistently you perform.

Whether you realise it or not, your business is already being evaluated through data. And that data answers a simple question: can this business be trusted?

This is where data connects directly to trust. When your records show that you pay consistently, deliver on time, and respond quickly, partners begin to trust you even before meeting you.

When your data shows inconsistency, trust weakens. In this way, data becomes more than information. It becomes evidence of how your business behaves.

Data also changes how opportunities come to you. In the past, financial institutions often saw SMEs as risky because there was little reliable information about how they operated.

Today, digital transactions are creating a

clearer picture. Payment histories show how money flows, sales records show growth patterns, and digital activities show how a business performs.

This information can help lenders, insurers, partners, and digital platforms understand your business better.

But for this to work, you must take control of your data. You do not need expensive systems to get started. There are also free and low-cost tools that can help you organise this information.

Mobile money statements already give you a record of transactions. Simple spreadsheet tools like Excel or Google Sheets can help you track sales and expenses.

Basic accounting apps designed for small businesses can help you organise records without needing advanced knowledge. Even your smartphone can be a starting point for capturing and storing data.

The goal is not to become a data expert.

“Your daily sales, your payments, your customer records, and even your phone messages are all forms of data. The question is not whether you have data.”

The goal is to become more aware of how your business operates.

Over time, patterns will begin to emerge. You will see which products are most profitable when demand increases and where money is being lost. This allows you to plan rather than react. It helps you make better decisions about stock, pricing, and growth.

As your business grows, data becomes a powerful asset. It strengthens your relationships with suppliers, builds trust with customers, increases your credibility with financial institutions and helps insurance companies assess your risks.

This is how small businesses begin to move beyond their size. Not just through hard work, but through understanding. Not just through activity, but through insight.

The question then becomes simple: are you using your data to improve your business operations? Because in today's economy, the businesses that grow fastest are not only the hardest-working.

They are the ones whose owners understand what their business is telling them and act accordingly.

Remember, technology connects you to opportunity. Trust turns relationships into growth. Networks take your business further than size allows.

The author writes at the intersection of the trust economy, digital growth and transformation in emerging markets

