

## USAID KUZA

The goal of USAID Kuza is to work through local systems to improve the enabling environment for economic opportunities, accelerate public-private investment, expand, and deepen county-level capacity to build resilience, foster self-reliance, and reduce the need for humanitarian assistance. The program works in ten arid and semi-arid counties of northern Kenya (Garissa, Isiolo, Lamu, Mandera, Marsabit, Samburu, Tana River, Turkana, Wajir and West Pokot).

USAID Kuza manages the Impact for Northern Kenya Fund (“the Fund”), which lends capital to financial institutions for on-lending to micro, small, and medium-sized enterprises in counties within Kenya's Frontier Counties Development Council (FCDC) region. USAID Kuza is implemented by ACDI/VOCA, in close collaboration with Frontier Counties Development Council (FCDC) and select financial institution partners.



### Objectives

- Facilitate an enabling environment for expanded economic opportunities in areas of recurring crisis for women, youth, and marginalized groups.
- Strengthen institutional and governance capacity of county governments and non-governmental organizations.
- Develop extensive and robust private sector partnerships to expand investment, including the development and management of the Fund aimed at increasing financial access to micro, small and medium enterprises (MSMEs) in the FCDC counties.
- Advance progress and accelerate outcomes by integrating monitoring and evaluation with shared learning.

### Methodology and Approach

USAID Kuza builds upon the capacity of county governments and non-governmental organizations and supports MSME-driven development by:

- **Financing Sustainability** – The program supports the FCDC counties by increasing their capacity to govern effectively and utilize public resources and attract private capital.

## BUDGET

USD \$22.5 million

## DURATION

5 years (2019-2024)

## IMPLEMENTING PARTNERS

ACDI/VOCA, in close collaboration with Frontier Counties Development Council (FCDC)

## IMPACT FOR NORTHERN KENYA FUND

Through a co-creation process, USAID and key stakeholders developed a \$14 million fund to increase access to financial services in northern Kenya.

## GEOGRAPHIC AREAS

Garissa, Isiolo, Lamu, Mandera, Marsabit, Samburu, Tana River, Turkana, Wajir, and West Pokot Counties

- **Engaging the Private Sector** – The Fund mobilizes and leverages private capital to support institutions, enterprises, and individuals that foster economic and social impact in northern Kenya.
- **Redefining Relationships with County Governments** – The Fund encourages county participation in the development of deal pipelines, philanthropic fundraising, and collateral agreements, helping the counties' capacity to attract and mobilize investment capital.

## Key Achievements (2023)

- Development and implementation of the USAID Kuza comprehensive drought response strategy.
- The Regional Peace and Cohesion Bill passed in Turkana, West Pokot, and Lamu Counties due to USAID Kuza technical assistance.
- Disaster Risk Management (DRM) Policies Passed in Lamu and West Pokot Counties due to USAID Kuza technical assistance.
- USAID Kuza co-development of Climate Change Act for

West Pokot County Leading to 125 million Kenyan Shilling Grant from the World Bank.

- The first-ever "Northern Kenya Impact Investment Conference" showcasing the region to 300 investors and partners along the development finance spectrum.
- USAID Kuza County Fund Management training leading to \$1.7 Million disbursed from County Funds
- County Public Private Partnership (PPP) Investment Prospectus development for Lamu, West Pokot, Isiolo, and Turkana counties,
- Five loans from Impact for Northern Kenya Fund totaling \$5.5 million to Fadhili Micro-Enterprises, First Capital Limited, Agricultural Finance Corporation, Solargen Technologies.
- Ongoing quarterly repayments from Impact for Northern Kenya Fund clients.

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