

## **Youth Enterprise Development Fund (YEDF) - Kenya**

One prominent financial institution in Kenya that offers loans and grants to small businesses and entrepreneurs is the Youth Enterprise Development Fund (YEDF).

### **Description of Support:**

The Youth Enterprise Development Fund, established by the Kenyan government, provides financial and business development support to youth-owned enterprises. It offers:

- Interest-free loans to groups and individuals (with minimal administrative fees).
- Entrepreneurship training and mentorship.
- Market linkages for local and international trade.
- Support for youth in securing government tenders.

### **Advantages:**

1. Low Cost of Financing: Loans are interest-free, making them more affordable than commercial loans.
2. Youth-Focused: Tailored for young entrepreneurs (18-35 years), addressing high youth unemployment.
3. Capacity Building: Includes training and mentorship to increase chances of business success.
4. Access to Markets: Helps link youth businesses to local and international markets.

### **Disadvantages:**

1. Eligibility Restrictions: Only accessible to youth, excluding older entrepreneurs.
2. Bureaucracy: Application processes can be slow and involve a lot of paperwork.
3. Limited Funding: The amounts available may not be sufficient for larger business ventures.
4. Default Risk: Group loans may suffer from collective responsibility issues, affecting

creditworthiness of all members.