

Is there a functioning debt collection system and if so, how does it work?

- Different levels of debt collection:
 - o Most often people give collateral (if default → collateral taken)
 - o Chamas: cross guaranteeing (group borrowing with collateral for each other)
 - According to women enterprise fund this helps to have over 90% repayment rates
 - o Business registration services (relatively new): once registered collateral can be reused again for another loan (car, land...)
 - o M-Pesa (mobile money system):
 - Main mobile money network provider (almost everyone uses it)
 - data about credit history (→ M-Pesa often used as database/backend)
 - o If you are working with a monthly salary, this can be used as collateral by confirmation that you're working in a certain place by your boss

How widespread is the information on creditworthiness?

- Very widespread since lot of people are using M-Pesa
- Additionally (Credit Reference Bureau): If you fail to pay back a mobile loan → you get on a CRB listing

Mostly group credits or individual credits?

- Yes individual, group loans and also company loans exist
- A lot of financial institutions
- Also informal institutions
- Most people go to friends and family to start → next most common is MFI → last come banks (most banks require businesses to be formalized)
 - o Over 80% of enterprises are informal!
- Sometimes you are given out a loan for your business, but since you are only a one person business this is a way how to give out individual loans

Do most people in Kenya know about microcredit?

- If you are 50 or younger you probably know about it
- HustlerFund was new in 2022 and made the information about microcredit even more widespread

How does the legal framework look like for our procedure?

- If we register as a research project: we need approval from nacosti (National Commission for Science, Technology and Innovation) and then register the app
- We should be super careful about this: Formal approval is essential since the government could see a potential competitor in us because they are proud of their single digit interest rate from hustler fund
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How do you assess the general security for us if we decide to realize the project in Kenya?

- There's nothing in particular problematic to watch out for regarding security (it should be fine)

In general, do you consider Kenya as a great fit for the project or not?

- Pros
 - Microcredit is already widespread in Kenya → the demand is there
- Cons
 - Debt collecting might be challenging
 - Hustler Fund is marketing their USP as having very low interest rates → might see as a danger → with the volume we are coming, they could not be happy that we do the research because where is the benefit for the Kenyan government?
 - In general there's a lot of mobile money/credits → you need to fight for your space