



# THE 2020/2021 HELB SUSTAINABILITY REPORT

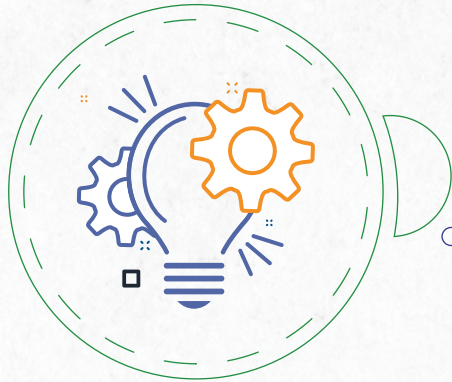


*Sustainable Higher Education Financing: An Alignment to SDGs*



Nairobi school tree planting 2019. HELB CEO CPA Charles Rignera

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HELB at the 2018 Ndakaini Marathon

# 1.0 INTRODUCTION

## 1.1 About this Report

Over the last 25 years, HELB has made significant progress towards fulfilling the mandate of sourcing for funds and providing financing (through loans, scholarships, and bursaries) to Kenyans pursuing education in institutions of higher learning in and outside Kenya as recognized by Commission for University Education (CUE) and/or the Technical, Vocational Education and Training Authority (TVETA), and recover funds loaned to create a National Revolving Fund. By financing over 200,000 students every year, HELB has Empowered the Dreams of many Kenyans and established an educated and skillful nation.

This inaugural report outlines the significance of Sustainability to HELB, its role in our Strategic Plan (HELB Agenda 2019-2023) and in our daily operations with regards to financing Higher Education. It demonstrates alignment of our operations, corporate strategy, and practices with the Sustainable Development Goals (SDGs), Africa Agenda 2063 and the Kenya Vision 2030. Further, this report illustrates the social, economic, and environmental value and impact in the Kenyan society.



We believe that by sharing our achievements and our challenges in a transparent manner, we remain accountable to our stakeholders.”



## 1.2 Report Boundary

The boundary of this report includes HELB operations for the current Strategic Plan period (as at 30th June 2020). In 2020, HELB developed a Sustainability Policy towards adoption and implementation of best practice in Financial, Economic, Social and Environmental growth in accordance with the Global Reporting Initiative (GRI) Standards Framework.

In this report, HELB discloses relevant information with regards to the operations, social, economic and environmental performance at the Head Office, Anniversary Towers and the 28 Huduma Centres for the period under review. However, there are exceptions under social and economic performance where some data pertaining to staff, students or HELB loan beneficiaries may not be disclosed in compliance with the Data Protection Act (2019).

Going forward, the focus will be to entrench Sustainability within HELB operations.

## 1.3 Reporting Key



Sustainable  
Development Goals

- In 2019, HELB adopted 10 of the 17 Sustainable Development Goals established by the United Nations in 2015.
- In this report, the relevant SDGs and targets to which HELB contributes to and has impact are highlighted under their specific icons.



Global  
Reporting Initiative

- This report has been prepared in accordance with the Global Reporting Initiative (GRI) standards: Core option.
- The relevant GRI standards are listed under their specific icons.
- The full GRI index is available on our website.

## 1.4 Our key performance highlights

This section highlights our most significant success and challenges realized in the current strategic plan period.

	2018-2019 FY	2019-2020 FY	Deviation %	Growth
<b>Social Sustainability</b>				
No. of students funded	299,077	347,487	+48,410	16.1
No. of employees	268	267	-1	0.03
Voice of the Customer Index (%)	N/A	77	N/A	N/A
No. of Partners	30	32	2	6.67
<b>Economic Sustainability</b>				
Loans Disbursed (Kshs.)	11,514,680,194	15,384,911,120	3,870,230,926	33.61
Loan Recoveries (Kshs.)	4,360,667,264	4,508,868,603	48,201,339	1.1
No. of Innovations				
<b>Environmental Sustainability</b>				
No. of Huduma Centres (Geographical spread)	25	28	3	12
No. of trees planted	2,200	5,000	2,800	100.27



HELB Staff at the Don Bosco Technical institute, Karen

## 1.5 Chairman's Statement

### Sustainable Higher Education Financing



As the Chairman of the Board, it is my singular pleasure to present our inaugural Sustainability Report. In this report, we take a bold step towards framing Sustainability as a response to the challenges we face as an organization committed to Empowering the Dreams of Kenyan Youth pursuing Higher Education. Our current Strategic Plan [The HELB Agenda 2019-2023] articulates HELB alignment to 10 out of the 17 Sustainable Development Goals. Further, we have sharpened our focus on the Customer and our Employees, promoted Sustainable Financing Initiatives, strongly supported Fintech Optimization for Digital Service Delivery, all while paying keen attention to Governance, Risk and Compliance.



Sustainable development is the pathway to the future we want for all. It offers a framework to generate economic growth, achieve social justice, exercise environmental stewardship and strengthen governance.

-Ban Ki-moon

## Our Environment

Even as we embark on this noble Sustainability journey, we remain cognizant of the challenging times the country faces. The declining funding from the Exchequer, depressed credit growth and strained consumer budgets brought about by several economic, political and regulatory issues have without a doubt affected HELB.

Nonetheless, our inclusive approach will help us propel the Sustainability Agenda by building strong funding partnerships which will in turn contribute towards the National Fund and ultimately help us fund more students pursuing Higher Education at both TVET Colleges and Universities.

## Looking Ahead

We remain confident that we are well placed to align our strategies to the changing micro and macro-economic environment in order to achieve our mandate. We will continue to seek new opportunities and establish partnerships to enable us to achieve our SDG related targets. We will aim to integrate these goals within HELB Operations, drive proactive stakeholder engagement and remain true to our Promise of Empowering Dreams.

*Hon. Ekwee Ethuro,  
Chairman,  
Board of Directors.*







HELB at NTSA during the World Day of Remembrance (WDOR). NTSA Director General George Njao (L) and HELB CEO CPA Charles Ringera (R) inspecting the donated assistive devices

## 1.6 CEO's Statement

An Alignment to SDGs for Sustainable Higher Education Financing



The current HELB Strategic Plan [HELB Agenda 2019-2023] envisages a reformed, bolder, agile, client focused, FINTECH enabled and Risk Intelligent organization which accords our Employees a great place to work. Further, HELB is keen to anchor its compelling drivers to a 4 point National, Continental and Global development agendas namely: Vision 2030, The Big 4 Agenda, Africa Union [AU] Agenda 2063 and The Sustainable Development Goals [SDGs].

In 2020, HELB took a bold step to consciously start integrating Sustainability into our business operations by developing a Sustainability Policy. This Policy will guide HELB as we embark in the Sustainability journey with a focus on adoption and implementation of best practice in Financial, Economic, Social and Environmental growth in accordance with the Global Reporting Initiative [GRI] Standards Framework.



It is critical for us to cultivate consciousness and compassion towards our environment, create awareness, galvanize people, and build sustainable innovations for sustainable development.

-Dia Mirza

### Inclusive Sustainable Student Financing



Based on 2016 estimates, only 45% of the world's population was effectively covered by at least one social protection cash benefit. Under the Universal Financing Initiative, HELB supports vulnerable groups, who would have otherwise been left behind, to access higher education, increase their productivity and to be self-reliant in future. Bursaries, Scholarships and special funds are also earmarked for the marginalized areas. Further, we provide self-insurance services to help improve the quality of the book.

### Building Sustainable Partnerships

At HELB, Financial sustainability is key. This is driven through creation of a Self-Sustainable National revolving fund anchored on prudent financial management & stewardship, integrity & accountability, optimization of loan recoveries, resource mobilization through exchequer funding and strategic partnerships through partnerships with Counties/Constituencies, Scholarship granting organizations, Corporates, Development Partners, Individuals and sector specific funds.

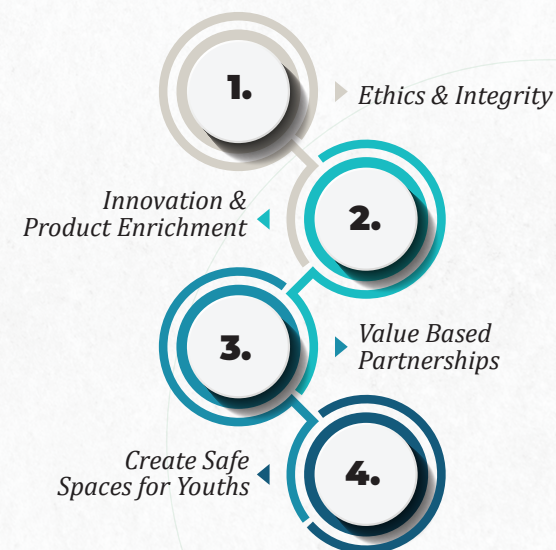


Since 2016 Kshs. 1.1B had been externally mobilized from various sectors. The Resource Mobilization strategy adopted of a multi-pronged approach is slowly yielding the desired result to make financial intervention to the most vulnerable citizens.

### Impacting Communities

We believe in Empowering Dreams through establishing and nurturing the foundation of growth for the next generation in line with our corporate values. To this end, the Corporate Social Responsibility framework is anchored on 3 pillars – Education, Health and Environment based on the 10 SDGs adopted by the HELB. Consequently, our Corporate Social Investment is based on 4 action points:

#### CSI: 4 Point Agenda



We are highly optimistic of the future for our customers as Government continues to enhance policies to create safe spaces for our youth through skills enhancement. We are excited to take this first step towards Sustainability Reporting and aligning to SDGs in our day-to-day operations.

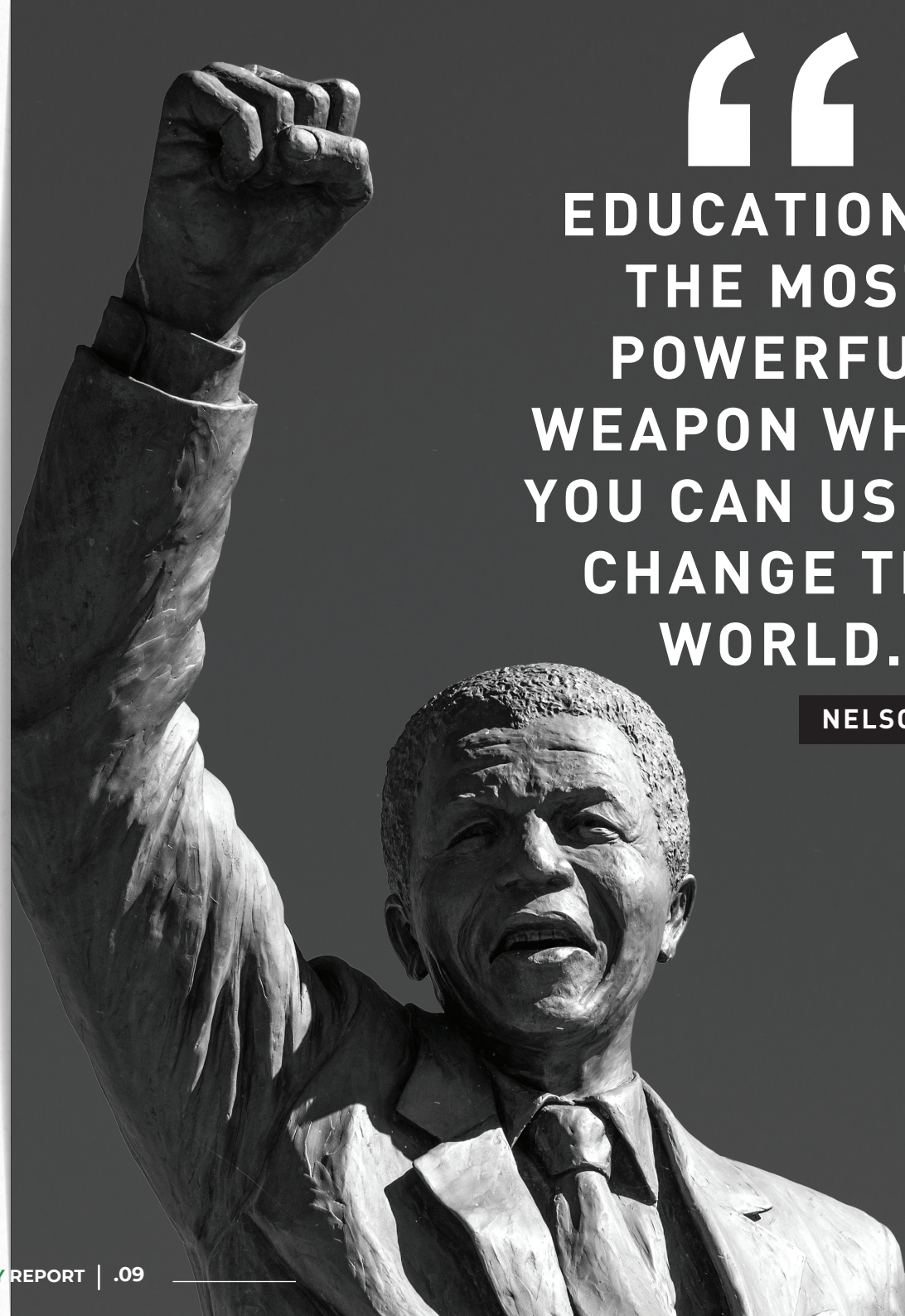
I wish to thank our staff and the stakeholders who have been on the fore front of supporting us to embark on this Sustainability journey and in our commitment to positively impact the lives of the customers we serve as well as the community and environment we work and live in.

*CPA Charles M. Ringera,  
Chief Executive Officer & Board Secretary*

“

**EDUCATION IS  
THE MOST  
POWERFUL  
WEAPON WHICH  
YOU CAN USE TO  
CHANGE THE  
WORLD.**

**NELSON MANDELA**





Tree planting marathon at Ndakaini dam, Murang'a

## 2.0 ABOUT HELB

### —◦ 2.1 HELB at a glance

HELB was established in 1995 vide CAP213A, with the mandate to source for funds and disburse to Kenyans pursuing higher education in institutions recognized by Commission for University Education and Technical Vocational Education & Training Authority as loans, bursaries and scholarships, to recover mature loan from past beneficiaries since 1974 and to establish a viable and sustainable revolving fund.

Since independence, the Government of Kenya has been financing higher education in form of grants and bursaries granted through the Higher Education Loan Fund. In 1974, loans were added to the stable and were disbursed by Ministry of Education as Loans, Bursaries and Grants. Due to the need to create a sustainable higher financing programme, the Government established a National Revolving Fund through the establishment of Higher Education Loans Board (HELB) vide an Act of Parliament CAP 213A in 1995. The aim of the Board is to provide competitive financing to Kenyans pursuing higher education.

The mandate of the Higher Education Loans Board as conceptualized remains:

- To source for funds to disburse to Kenyans pursuing Higher Education.
- Disburse loans and bursaries to needy Kenyan students pursuing Higher Education.
- Recover all outstanding university loans given to Kenyan students since 1974.
- Establish a viable and sustainable revolving fund.

Higher Education within the description of the Kenya Qualification Framework includes Universities and Tertiary Colleges spread across the country.

In 1991, cost sharing in University Education was introduced. The fees for Government Sponsored students were and still are at a flat rate of Kshs 120,000 with the government financing Kshs 70,000 as grants and the balance of Kshs 50,000 being financed by the student. The loans and bursaries granted by HELB are meant to assist needy Kenyans unable to raise the Kshs 50,000 that was

payable by the student. The introduction of Differentiated Unit Cost (DUC) model which would fund universities grants to students according to the cost structure of the discipline they are undertaking was mooted a while ago. The structure fundamentally changes the funding model of Government sponsored students both in Public and Private Institutions with the more costly courses like Medicine and Engineering receiving a higher quantum than those undertaking general humanities and social sciences. This has an implication on the loan and bursary scheme that HELB gives as it will follow the same trend as the Government grants. Currently HELB gives a loan and bursary of between Kshs. 35,000 to Kshs. 60,000 per annum as determined by a Means Testing Criteria (MTI) which is based on economic household income of the applicant that determines the economic vulnerability of the applicant which consequently guides the financial intervention required by HELB.

For the last 25 years, HELB has empowered the dreams of more than **1M** students and disbursed over **Kshs. 113B**. As of 30th June 2020, there were **492,227** mature accounts holding **Kshs. 58.5B** out of which **235,967** loanees holding **Kshs. 23.3B** had cleared their loan repayment and **187,368** loanees in repayment worth **Kshs 28.5B**. There were **347,315** loanees not yet due for repayment as they were either still students or within the grace period before repayment is due. As of 30th June 2020, the HELB Loan Book was performing at **73%**.

### —◦ 2.2 The HELB Strategic Plan [HELB Agenda 2019-2023]

HELB has embraced Strategic Planning as a key performance improvement initiative in enabling successful delivery of its mandate. The previous Strategic plan (2013 – 2018) came to an end in June 2018 with admirable results of a very ambitious strategy that the Board was laying a foundation to a journey of moving slowly out of Government Funding dependency through External Resource Mobilization as a key strategic posture.

In September 2017, the Board commenced the preparation of the new plan dubbed HELB Agenda 2019-2023. Key emerging issues that were considered in the HELB Agenda 2019-2023 were based on stakeholder recommendations out of the Strategic Plan 2013-2018 outcomes, views from our customers' changes

and preferences were gathered through targeted questionnaires to the students, employers, Principals of TVET Institutions, Universities Administrators, Government policy makers/drivers, HELB staff, Board and Management. We listened keenly to the Voice of our Customer in driving change and steering the Board to a new direction, perspectives, and aspirations.

The HELB Agenda 2019-2023 is infused by Global, Continental and National Development Agendas. Key to note is the due consideration of the United Nation’s Sustainable Development Goals (SDGs), where the HELB Agenda has incorporated 10 SDGs. Moreover, the AU Agenda 2063 on “The Africa We Want,” is focused on education transformation across the continent in order to maximally benefit from the Africa youth dividend. The Continental Education Strategy for Africa (CESA 16-25) is aimed at re-orienting Africa’s education and training systems, through Africa’s response to and domestication of SDG 4 on Education which is aimed at ensuring equitable inclusive quality education and promotion of lifelong learning opportunities for all by 2030. At a national level, requirements to support realization of Big 4 agenda of the current administration, MTPIII and Vision 2030, are central to what HELB will undertake to implement in this plan period.

HELB undertakes to re-orient its processes, procedures and systems to support Government in achieving these global, continental and National development agendas. After due consideration of the macro-economic operating environment four ambitious pillars were designed to push HELB Agenda 2019 – 2023:



SMT|Board retreat 2019

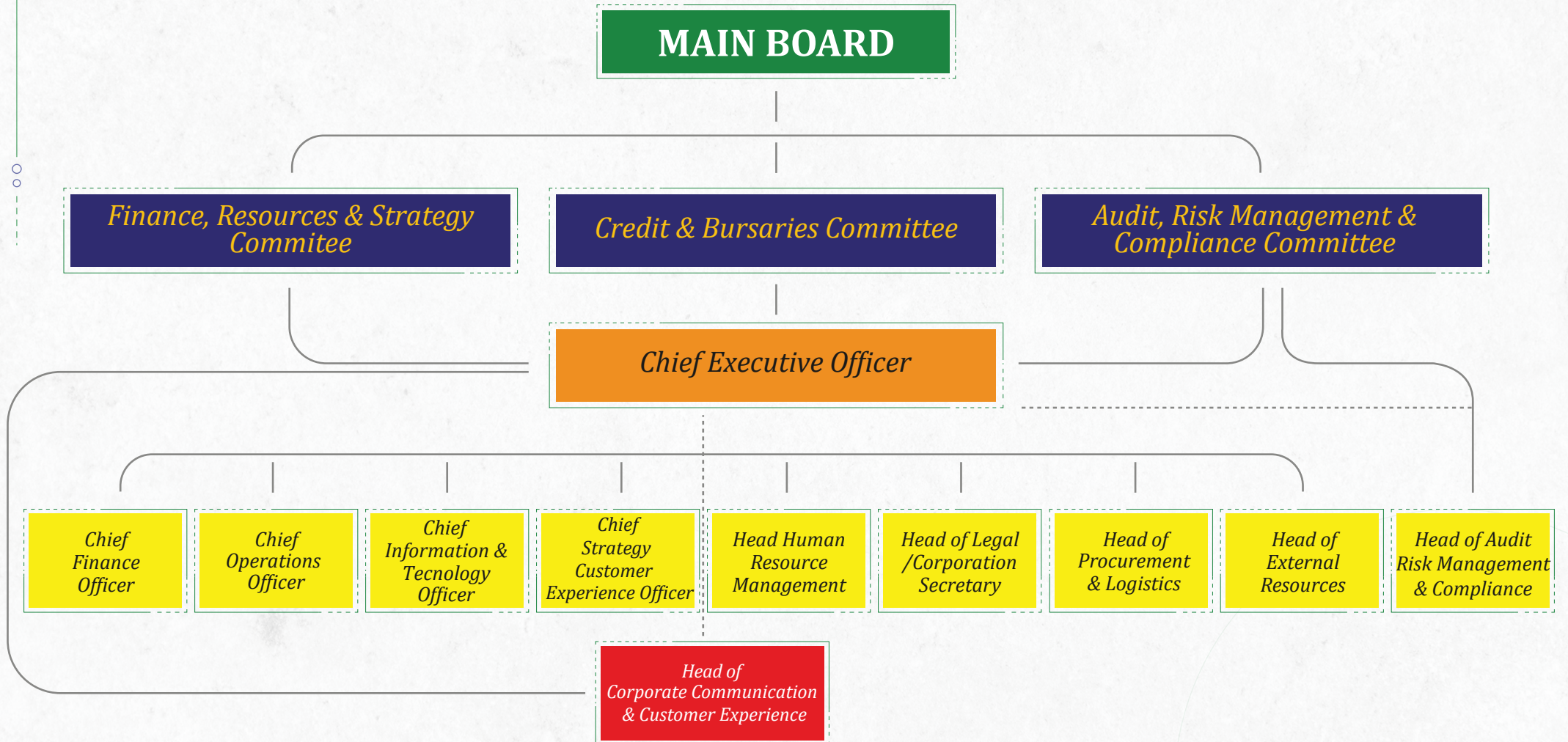


- Customer Centered Leadership:* “Delivering on the Customer Promise”;
- Sustainable Financing Initiatives:* “Impactful financing of Students through optimal resource mobilization”;
- FinTech Optimization for Digital Service Delivery* “Deepen, Broaden and Enhance Innovative Technologies that deliver First Class Customer Service”; and
- Our People, Governance, Risk & Compliance:* “Make HELB a Great Place to work in by investing in Our People while propelling it to a Risk Intelligence Organization through ensuring adherence to Governance, Risk and Compliance Model.”



HELB Staff at the First Lady Hafl Marathon 2019, Nairobi

◦ 2.3 Our Corporate Structure







HELB and NTSA presenting assistive devices for PWD's to National Spinal Injury Hospital 2021

## 3.0 OUR MATERIAL TOPICS

### 3.1 Our Customer



The mandate of the Higher Education Loans Board [HELB] is to provide financial support to Kenyan students pursuing higher education. This support is in the form of loans, bursaries & scholarships. HELB is also charged with the responsibility of recovering loaned out funds.

Our material topics around sustainability are social, economic and environmental imperatives and opportunities for our organization and all our stakeholders. This section describes Social Topic and how it affects our operations. It is aligned with the Material Topics of Customer Experience, Stakeholder Engagement, Geographical spread, Brand Affinity and Data Protection.

#### 3.1.1 Customer Experience

HELB communicates frequently with its customers through a wide spectrum of platforms. These platforms include the Contact Centre, Huduma Centres, Service Experience Centres as well as print, radio, digital [website and social media], TV and out of home [billboards] and below the line media such as conferences, expos and collateral [brochures, posters, banners etc.]

HELB continuously drives the customer agenda and strives to standardize and drive service excellence across all customer touch points to enable HELB to identify, evaluate and build a culture of driving exceptional customer experience.

HELB has established and operationalized a Customer Excellence Council to conduct regular review of adherence to HELB Service Charter and has Streamlined service efficiency at Customer touchpoints through reduction of

Turn-Around-Time [TAT] in customer service delivery. It has also improved First Contact Resolution [FCR], decentralized most of its services to the Huduma Centres and online self-service portals by customers. HELB also adheres to compliance expectation by the Commission for Administrative Justice [Ombudsman's Office] by ensuring that all complaints are satisfactorily resolved, communicated to the customer and a high compliance score maintained.

HELB has also installed an integrated Customer Relationship Management [CRM] System that has enhanced the management of all incoming and outgoing audio calls, Social Media interactions, Email communication as well as Bulk Messaging for ease of communication with customers as well as report generation and management. HELB has operationalized out bound team at the Contact Centre to close on both Jielimishe loans sales and Debt Management leads. It also leverages on digital media to enhance business growth such as Landing Pages for Business Leads, as well as leveraging on Data Analytics to drive mass personalization in bulk messaging.

#### 3.1.2 Stakeholder Engagement



HELB has developed and operationalized a Stakeholder Engagement Framework to facilitate robust, regular and meaningful stakeholder engagement. It engages youth who constitute the bulk of HELB loan beneficiaries both at University and Tertiary level through Student Consultative Forums every two years. HELB also enhances loan uptake through in-depth grassroots stakeholder engagement by undertaking Mashinani Initiatives by its Huduma Centre Staff within their various localities. HELB also maintains accountability to the stakeholders by publishing Annual Financial Statements and Reports as well as creating strategic affiliations with Professional bodies through participating in their annual conferences. Below is a summary of HELB Stakeholder engagement:

<b>S. NO</b>	<b>STAKEHOLDERS</b>	<b>INFORMATION NEEDS/CONCERNS</b>	<b>MODE OF ENGAGEMENT</b>
<b>1.</b>	<b>Students</b>	· Loan Application and Disbursement process	· Student portal
		· TAT	· SMS/USSD
		· Amounts allocated	· Calls
		· Loan status	· Emails
			· Social Media
			· Media
			· Face to Face (clinics, walk ins etc)
			· Corporate events & forums
		· Surveys	
<b>2.</b>	<b>Loanees</b>	· Loan repayment status (statements, billing and waivers)	· Loanee portal
		· Clearance (compliance, stop orders, vetting)	· SMS/USSD
		· Modes of repayments	· Letters
		· CRB status	· Calls
		· Refunds	· Emails
			· Social Media
			· Media
			· Face to Face (walk ins etc)
	· Corporate events & forums		
		· Surveys	
<b>3.</b>	<b>Government of Kenya</b>	· Student loan application statistics (number and category of beneficiaries, amounts awarded)	· Formal written correspondence
		· Budget performance	· Reports
		· Compliance to laws & other regulations	· Meetings/forums/summons
		· Input to legislative process	· Circulars
		· Contribution/alignment to development agenda	

S. NO	STAKEHOLDERS	INFORMATION NEEDS/CONCERNS	MODE OF ENGAGEMENT
4.	<b>Employees</b>	• Remuneration	• Meetings (town hall meeting, departmental)
		• Promotions	• Seminars
		• Conducive work environment	• Performance reviews
		• Training & development	• Trainings
		• Work life balance	• Intranet
			• Employee portal
			• Circulars, newsletters
			• Face to face
			• Surveys
		• Interviews	

5.	<b>Higher Learning Institutions</b>	• Disbursement reports	• Formal written correspondence
		• Relationship Management	• Reports
		• TAT/MOUs	• Meetings/forums
			• Emails
			• Calls

6.	<b>Employers</b>	• List of beneficiaries and terminated employment contracts	• Employer portal
		• Billing schedules and repayment rate reduction	• Inspections
		• Loanee status	• Meetings/Forums
		• Stop orders	• Emails
		• Employer compliance	• Calls
			• Formal written correspondence
			• Media
		• Conferences	

7.	<b>Partners &amp; Funders</b>	• Student data & skill gaps	• Meetings/Forums
		• Accountability reports/returns	• Emails
		• Impact assessment reports	• Calls
		• Confidentiality of data	• Formal written correspondence
			• Media

S. NO	STAKEHOLDERS	INFORMATION NEEDS/CONCERNS	MODE OF ENGAGEMENT
8.	<i>Financial Institutions</i>	· Disbursement schedules	· Meetings/Forums
		· Payment schedules – staff & suppliers	· Emails
		· Employer codes	· Calls
		· Relationship Management	· Formal written correspondence

9.	<i>Media</i>	· Press releases	· Emails
		· Editorial and Advert content	· Calls
			· Meetings
			· Interviews & press conferences
			· Website
			· Events & forums

10.	<i>Service Providers</i>	· Product and service specifications/requirements	· Commitment Letters, LPOs, LSOs, Contracts, SLAs
		· Contractual documents	· Emails and calls
		· Payment status	· Meetings
			· Media
			· Website
			· Surveys

11.	<i>Community</i>	· Community based credit management	· Mashinani Activations
		· Value added partnerships (environment conservation)	· Annual reports
			· Sustainability reports
			· Press releases
			· Accountability reports
			· Meetings
			· Media
			· Website
		· Events and Forums	



Caption

### 3.1.3 Brand Affinity

Brand affinity is based on the mutual belief that the customer and the company share common values. It is the highest, most durable kind of customer loyalty, one that breeds unshakable trust in the relationship and is the most enduring and valuable level of customer relationship. It describes consumers who believe that a particular brand shares common value with them. These shared values help build a relationship which tends to retain loyal customers for longer.

HELB ensures Brand recognition by promoting its Brand, Products and Services by publishing and distributing information education communication materials such as posters, fliers and info packs, carrying out Media campaigns and building strategic media relationships for positive PR. As HELB turned 25 years old, a Brand Health Check survey was conducted to review the brand presence as well as prepare for future brand placement in alignment to changing customer needs and technology advancement.

### 3.1.4 Geographical spread



The Huduma Kenya programme core objective is to turn around public service delivery to ensure citizens access government services in an efficient manner and at their convenience through Huduma Centres. These are one-stop shop citizen Service Centres that provide National Government Services from one single location. The Centres are built to enhance transparency, efficiency and easy accessibility for all.

In line with the government policy to take its services closer to the people, as at 30th June 2020, HELB had presence at the following Twenty-Eight [28] Huduma Centres:

The image features the Huduma Kenya logo at the top, which consists of a stylized figure in green and red above the text 'huduma KENYA service excellence'. Below the logo, the text 'HELB is present in the following Huduma Centres:' is displayed in orange. A list of 28 centres follows, with each item in orange text: 1. Bomet, 2. Bungoma, 3. Chuka, 4. Eldoret, 5. Embu, 6. Garissa, 7. GPO, Nairobi, 8. Kakamega, 9. Kericho, 10. Kilifi, 11. Kisii, 12. Kisumu, 13. Kitale, 14. Kitui, 15. Lodwar, 16. Machakos, 17. Makueni, 18. Meru, 19. Migori, 20. Mombasa, 21. Muranga, 22. Nakuru, 23. Nandi, 24. Narok, 25. Nyeri, 26. Taita Taveta, 27. Thika, 28. West Pokot.



Huduma staff sensitization



HELB Team during a tour at the Don Bosco Technical Institute, Karen



Through these Huduma Centres, HELB maintains quality customer experience as follows:

- Handles all customer interactions received through walk-ins.
- Provides consistent responses and continuously improves quality of customer interactions.
- Engages customers to enhance HELB product penetration.
- Ensures compliance to set Huduma Standards.

### 3.1.5 Data Protection



Data protection is the process of safeguarding important information from corruption, compromise or loss. Data protection is ensuring that data can be restored quickly after any corruption or loss, protecting data from compromise and ensuring data privacy. Data Protection also describes both the operational backup of data and business continuity/disaster recovery [BC/DR].

Data availability ensures users have the data they need to conduct business even if the data is damaged or lost. Data lifecycle management refers to the process of automating the movement of critical data to online and offline storage and Information lifecycle management is a comprehensive strategy for valuing, cataloging and protecting information assets from application and user errors, malware and virus attacks, machine failure or facility outages and disruptions.

Kenya passed comprehensive Data Protection Legislation, the Data Protection Act No. 24 of 2019 which was assented to by the President of the Republic of Kenya on 8th November 2019.

HELB handles large volumes of data relating to students, loanees, employers, suppliers, funders, partners as well as Government and other institutions. HELB is required to ensure that all personal data is processed lawfully, fairly and in a transparent manner in relation to any of its customers, partners or institution.

HELB takes care in the manner in which data is collected, used and processed, the primary overarching principle being that personal data should only be collected directly from the customers and used with their express consent by appending their signatures to all data collection instruments, and also collecting data already contained in public records or collection from a different source authorized by the customer.

HELB ensures that personal data is:

- Processed in accordance with the right to privacy of the customer;
- Processed lawfully, fairly and in a transparent manner in relation to any customer;
- Collected for explicit, specified and legitimate purposes and not further processed in a manner incompatible with those purposes;
- Adequate, relevant, limited to what is necessary in relation to the purposes for which it is processed;
- Collected only where a valid explanation is provided whenever information relating to family or private affairs is required;
- Accurate and, where necessary, kept up to date, with every reasonable step being taken to ensure that any inaccurate personal data is erased or rectified without delay;
- Kept in a form which identifies the customer for no longer than is necessary for the purposes which it was collected; and
- Not transferred to a Third Party unless there is proof of adequate data protection safeguards.

### 3.1.6 Access to Information

Whereas HELB is bound by the Data Protection Act 2019 to safeguard all data collected for its own use, it is also bound by the Citizens' right of access to information as enshrined in the Access to Information Act No. 31 of 2016.

Subject to this Act and any other written law, every citizen has the right of access to information held by the State and another person and where that information is required for the exercise or protection of any right or fundamental freedom. Every citizen's right to access information is not affected by any reason the

person gives for seeking access or the public entity's belief as to what are the person's reasons for seeking access. Access to information held by a public entity or a private body shall be provided expeditiously at a reasonable cost.

In its disclosure of information, HELB ensures that it facilitates access to the said information by all interested parties by providing a guide sufficient to enable any person wishing to apply for information under this Act to identify the classes of information held by HELB, the subjects to which they relate and the location of any indexes to be inspected by any person. HELB also keeps all relevant information relating to its transactions duly updated on its website, reports and online portals where necessary.

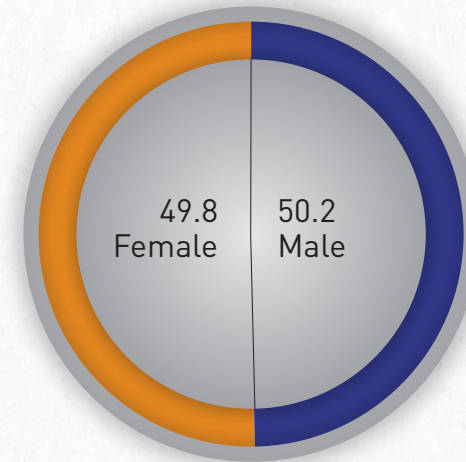
### 3.2 Our People



#### 3.2.1 Staff Establishment



As of 30th June 2020, HELB had 267 members of staff. The staff establishment comprises of 80% serving on permanent & pensionable terms while 20% are on fixed term contract. The gender balance distributions cuts across all levels of operation at 50.2% male and 49.8%.



#### 3.2.2 Employee Engagement

HELB recognizes the need to create a conducive work environment that enables all employees to experience the best work life and reach their maximum potential. In this regard, HELB has created modern offices fitted with modern workplace facilities. HELB has embraced open office plans to enhance interactions, breakout areas to enable staff refresh, and lactation rooms.



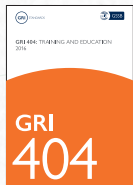
During an engagement session in one of the HELB offices

As a way of enhancing employee engagement level, HELB conducts several programs such as employee funfair activities (gaming), CEO round table deliberations with staff to drive involvement and participation. To enable staff, share their views and suggestion, the Board has put in place an online voice of employee platform.



A CEO Roundtable session with a section of staff from all cadres in 2019

### 3.2.3 Talent Management

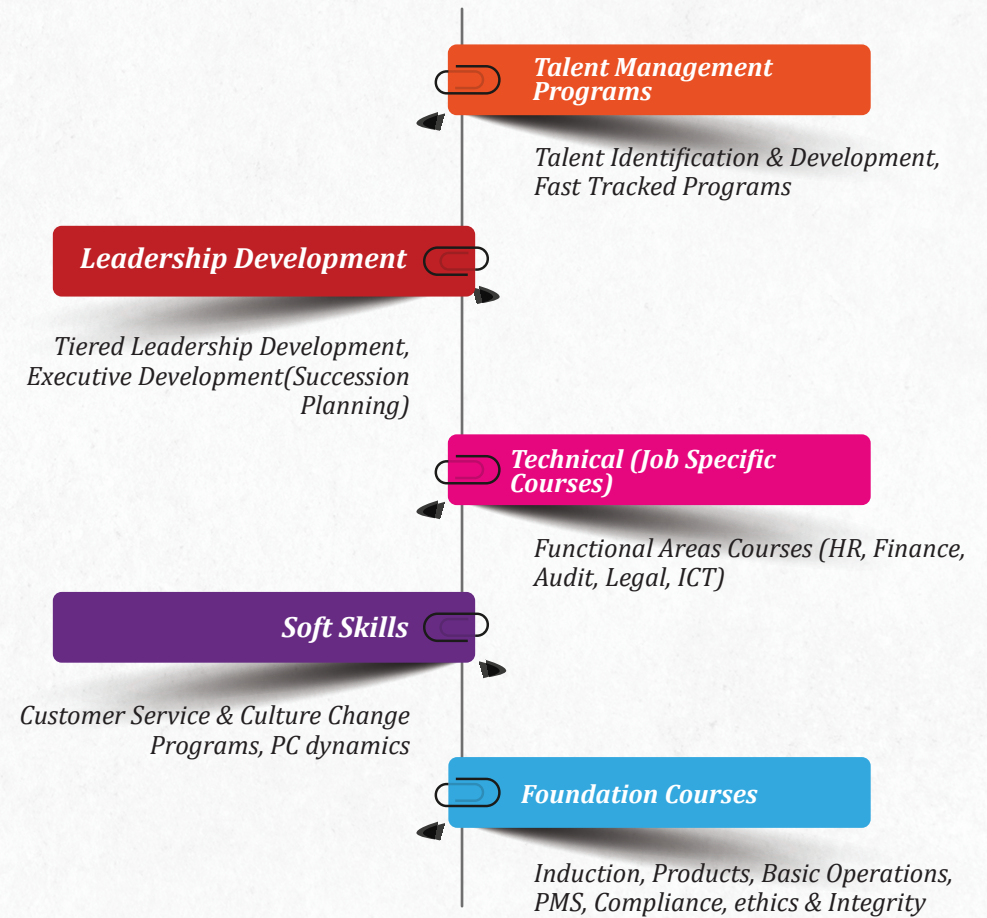


HELB maintains a strong talent bench by attracting and retaining people with the right talent and motivation to drive the successful delivery of its mandate. In this regard, HELB has put in place a number of talent management programs. HELB implements learning and development through Infosys model that harness all forms of learning in order to align the skills to the changing market need and grow staff for the opportunities.

HELB has also put in place a robust performance management framework that enable employee to take charge of their performance in order to drive delivery

of the Board's Mandate. HELB has been on balance scorecard since 2014.

HELB has put in place a competitive remuneration comprising of salary and allowances and benefits pack that include house loans, car loans, enhanced medical cover in alignment with the Salaries & Remuneration Commission [SRC] and State Corporation Advisory Council [SCAC] Guidelines.





HELB staff donating carpentry tool kits to the leading graduating student of Don Bosco Boys town, Karen. November 2018

### 3.3 Governance, Ethics & Fairness



Governance, Risk and Compliance is central to HELB in achieving its core mandate. HELB will reinforce governance as a holistic system by establishing

#### 3.3.1 Enterprise Risk Management Framework

HELB follows the UN Global Compact's 10 principles. By incorporating the Ten Principles of the UN Global Compact into strategies, policies and procedures, and establishing a culture of integrity, HELB are not only upholding their basic responsibilities to people and planet, but also setting the stage for long-term success. The Global Compact includes the precautionary principle, based on which we have integrated risk assessments of our processes in core functions such as; Lending, Documentation and Procurement. In the sustainability risk assessments of these functions, we define high-risk services as those that clearly have greater risks related to the environment, working conditions, and/or business ethics than other services. We usually divide up services into high risk, moderate risk and low risk, for example, the risk in one functional unit differs from the division's risk and is assessed separately. We also have tools to look at geo-political risks related to corruption and national cohesion. In doing so we assess whether the HELB's risks are impacted by its own practices and business model as well as the Education sector risk exposure. Because of HELB's advisory role, the Sustainability Committee plays an important role in aligning the entire organization to minimize sustainability risks and any negative impacts for the organization.

**Credit risk weighting.** HELB will include qualitative and, where possible, quantitative statements on acceptable E&S risks in our Risk Assessment Statement. In order to do this, we will re-align the means testing instrument (MTI) tool to take into account both qualitative and quantitative factors for risk management controls.

**Credit risk assessment and new business opportunities.** In the coming two years, we will improve our ability to monitor more closely and better follow-up on our clients' E&S practices based on the social and environmental management system to ensure they are adhering to environmental and social procedures. Over the next two to five years, the board will also aim to develop an assessment framework for client and transaction due diligence that captures externalities and assesses the likelihood and materiality of these

**Black Swan Pandemic risks.** During the COVID-19 pandemic period, we were able to test our business continuity and disaster preparedness framework. Some gaps were observed in that, while the BCP centred on building alternative, the pandemic required

**Integrity and Ethical Culture.** Since 2013 the board has had an anti-corruption policy that clarifies HELB's commitment, role and practices internally and in relations with customers and partners. In this way, corruption risks are managed in the same way as other business risks.

**We are committed to the principles of openness and integrity.** To help us on anti-corruption measures, internal regulations and training are available to guide individual employees. Given the nature of our operations, we have to assume that there is a risk of corruption at every level. The policy is part of the anti-corruption programme that encompasses existing routines and processes as well as new and updated support systems and guidelines. HELB employees have been instructed in how to address issues involving corruption, bribes, and conflicts of interest in mandatory training on the board's code of conduct. Sustainability and Integrity Committees addresses issues where the environment, human rights, social responsibility, business ethics or anti-corruption are a critical factor in business decisions. Its role is to provide

guidance throughout the organization to minimize sustainability risks and any negative impacts for the board. The members represent the board's various business areas and Functions. Meetings from the committees' minutes are distributed to the CEO and Senior Management.

#### Key Risk Indicators



Further integration of environmental and social (E&S) opportunities into HELB processes

Over the past eight years, HELB has worked to embrace international best practices for higher education student loans' into its systems and operations. Such best practices aim to make institutions more sustainable by providing guidance to pre-empt or address challenges in internal governance, risk and lending departments. Having made many changes over the past three years to ensure the corporate governance policies and procedures are aligned with best practice, we are now focusing our attention to further integrating E&S into our risk processes.

**Incentives.** In 2019, risk was mainstreamed into every employee's responsibilities. In 2020/2021, we will include a minimum of at least one relevant sustainability related key performance indicator in every employee's scorecard, which will then feed into updated performance initiatives of departments and strategic business units.

#### 3.3.2 Governance and Legal Compliance

HELB considers sound corporate governance, Legal and regulatory compliance to be fundamental to the Institution's Sustainability. We must operate ethically, transparently, and accountably if we are to manage legal and reputational risks and maintain high employee and investor trust and confidence to maintain our sustainability and success.

Governance is the over-arching structure and strategy that provides accountability and direction, and that influences our behaviour and cultures. Governance impacts everyone in their day-to-day jobs, whether we work as part of a team, purchase goods or services, manage people, or control budgets.

This is not just about what we do but how we do it; creating an environment where governance enables positive change and supports strategic approaches to our outcomes. Governance is about raising awareness and sharing information; taking responsibility and providing assurance to stakeholders; and improving our approaches, learning lessons for the future.

HELB continuously assesses its governance operating model to ensure that robust internal governing bodies and proper systems/processes are in place to support our leadership team to drive change, set strategic direction and formulate high-level goals and policies centered around creating equity in access to higher education for all Kenyans.

To this end the HELB is guided and has embedded the following principles and values in its functions in order to ensure Good Governance and Legal Compliance



**Leadership:** A focus on the Government’s purpose to provide a clear vision and strategic direction to secure an effective and efficient approach based on outcomes.

**Accountability:** HELB is true to the relevant laws and regulations and ensure the economic, efficient, and effective use of all related resources. The board undertakes a governance, Legal and compliance Audit annually to test its compliance levels.

**Integrity:** HELB promotes the Constitution, the Public Ethics Act, the Leadership and Integrity Act

**Effectiveness:** HELB maximizes the skills and experience of staff; promote equality; challenge approaches and scrutinize performance.

**Transparency:** HELB takes informed and open, evidenced-based decisions while managing risk.

**Sustainability:** HELB continuously undertakes policy and legislative research to ensure it is in tune with emerging best practices and new laws. The HELB Act, CAP 213 Laws of Kenya is currently under consideration for review in order to develop our capacity and the capability to take a long-term approach to our use of resources and outcomes.



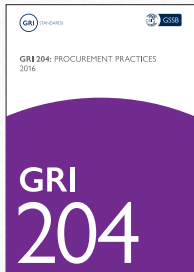
HELB Staff donating carpentry tools at Don Bosco Boys Town, Karen, November 2018



### 3.3.3 Means Testing Instrument

This is a testing tool developed by HELB to assess the financial need of a student, the instrument involves determination of various variables that would award the student certain scores that will eventually point to the level of vulnerability that the student experiences thus informing HELB of the level of intervention required. Some of the variables included in the instrument is the family income, marginalization index as provided by the commission of Revenue authority etc.

### 3.3.4 Local & Diversified Procurement



#### a. Compliance with Public Procurement & Asset Disposal Act and Public Procurement & Disposal Regulations 2020

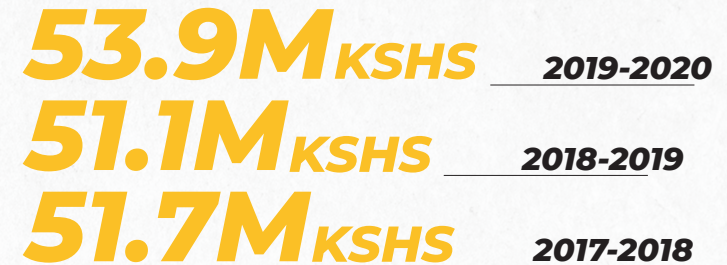
HELB complies to the Public Procurement & Asset Disposal Act (PPADA) Revised Edition 2016 and Public Procurement & Disposal Regulations 2020 for the procurement and the disposal of unserviceable, obsolete or surplus stores and equipment as gazetted by the Government of Kenya in order:

- to maximize economy and efficiency;
  - to promote competition and ensure that competitors are treated fairly;
  - to promote the integrity and fairness of those procedures;
  - to increase transparency and accountability in those procedures; and
  - to increase public confidence in those procedures.
- to facilitate the promotion of local industry and economic development

#### b. 30% Reservations

In compliance with section 157 (5), (9), (10), (12) and (13) of the Public Procurement & Asset Disposal Act (PPADA) Revised Edition 2016, HELB ensures that at least thirty (30) percent of its procurement budget in every financial year is allocated to the youth, women and persons with disability so as to comply with the Act and the regulations in respect of preferences and reservations.

The reservations reserved over the last three financial years were as follows:



#### c. 40% local content

For the purpose of ensuring sustainable promotion of local industry, HELB sources at least forty (40) percent of its supplies from citizen service providers every financial year, a report of which is submitted to the Ministry of Trade every quarter as evidence of compliance.

#### d. PPRA Reports

HELB makes a report after every six (6) months to the Public Procurement Regulatory Authority that provides data disaggregated and indicating the number of youth, women and persons with disability whose goods and services have been procured.

#### e. Procurement Plan

In compliance with section 158 (2) and (3), HELB integrates preferences and reservations in its annual procurement plans and submits to the Public Procurement Regulatory Authority the part in its procurement plan

demonstrating application of preference and reservation schemes in relation to procurement budget within sixty days after commencement of the financial year i.e. by 31st August of every financial year.

#### f. Procurement Awards

All procurement awards made by HELB where a preference or reservation scheme was applied is reported with disaggregated data to the Public Procurement Regulatory Authority on a quarterly basis.

### 3.3.5 National Cohesion and National Values



Following the promulgation of the Constitution of Kenya 2010 on 27th August 2010, all Public Institutions, including HELB, were expected to promote national cohesion, national values and principles of governance to create a transformed, cohesive, peaceful, united and values-driven nation. In this regard the National Cohesion and National Values Committee was instituted within HELB and has been operationalized to spearhead this.

Every year, HELB is required to align and implement commitments and way forward as indicated in the Annual President’s Report on National Values and Principles of Governance.

The national values and principles of governance to be adhered to include:

- Patriotism, National Unity, Sharing and Devolution of Power, The Rule of Law, Democracy and Participation of The People;
- Human Dignity, Equity, Social Justice, Inclusiveness, Equality, Human Rights, Non-Discrimination and Protection of the Marginalized;
- Good Governance, Integrity, Transparency and Accountability; and
- Sustainable Development.

Each year HELB has been implementing and evaluated on at least five (5) commitments, as indicated in the annual performance contracting guidelines, that are relevant to its mandate. HELB has also been submitting, in the prescribed format, an Annual Progress Report on the implementation of the commitments and way forward captured in the previous year’s Annual President’s Report on National Values and Principles of Governance.

We ensure that all the commitments made by HELB are achievements as set out in the performance targets in the Annual Corporate Performance Contract signed with the Government of Kenya. **(Evidence: Annual Presidential Report 2019)**

### 3.4 Sustainable Financing



Sustainability of our financing model is crucial for business continuity and achievement of our mission of empowering dreams. For the board to offer universal financing to all Kenyans pursuing higher education, A sustainable revolving fund is paramount.

Financial sustainability is key to the realization of our corporate strategic plan, we intend to achieve this through creation of a Self-Sustainable National revolving fund anchored on prudent financial management & stewardship, integrity & accountability, optimization of loan recoveries, resource mobilization through exchequer funding and strategic partnerships.

To date HELB has disbursed loans to **1,002,070** students and disbursed over **Kshs. 113.1B**. It is from this disbursement that HELB endeavors to create a revolving fund. By developing the Revolving fund, it is envisaged that HELB's dependency on the exchequer will progressively diminish to the extent that the Board can be able to execute its mandate effectively without having to depend on the national treasury allocations.

In this regard, the Board has adopted modern methods of loan appraisal and disbursement that will minimize the risks associated with lending. An agile and business intelligent systems has been adopted to facilitate top notch customer experience to our customers which in turn shall be an advantage to the board when the time of loan repayment comes.

To determine the level of financing to be advanced to students, we have developed a means testing instrument.

There has been a tremendous growth in the number of loan beneficiaries and the student loan budget over the years.

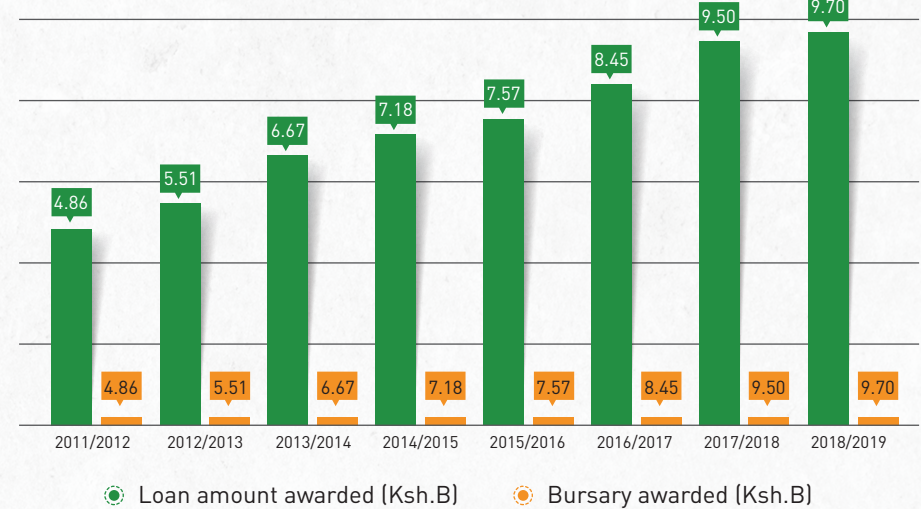
This has been catapulted by the introduction of free basic education by the government in the year 2003 and the deliberate increased funding by the government to cater for this increased entrant to university education. It should also be noted that during the same period there has been an exponential growth in the number of universities from the traditional Six (6) universities to the current number of 74 public and private universities.

The following graph gives a pictorial view of the same for the last seven years.

Growth in student loans budget

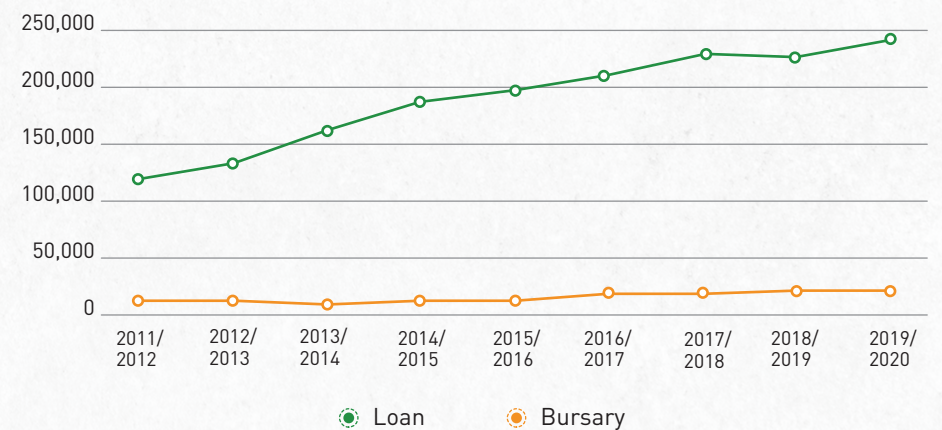
Graph No:1

Growth in Student Loan Budget (Ksh.B)



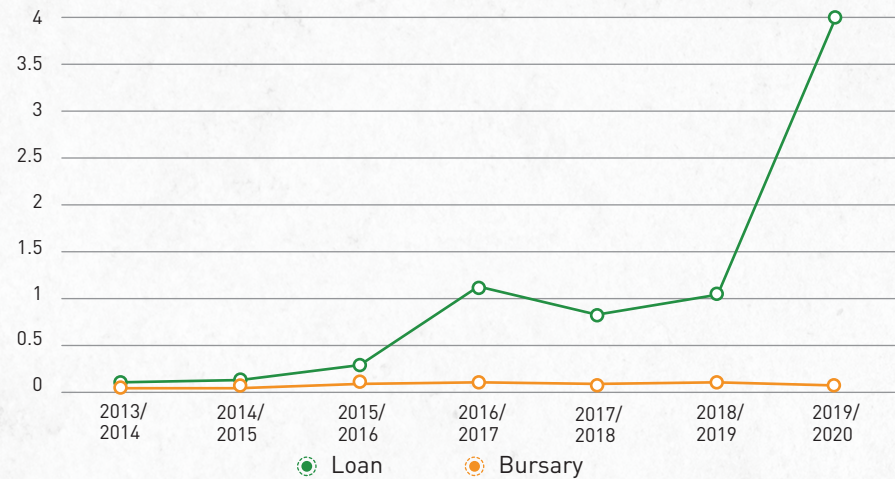
There has been a growth of student loan amounts disbursed from Kshs.4.8B in the year 2011/2012 to Kshs.9.7 B in 2018/2019 financial year. The bursary amounts disbursed to needy students has also increased from Kshs.0.09 B in the financial year 2011/2012 to Kshs.0.14 B in the year 2018/2019.

Growth in Number of Applicants

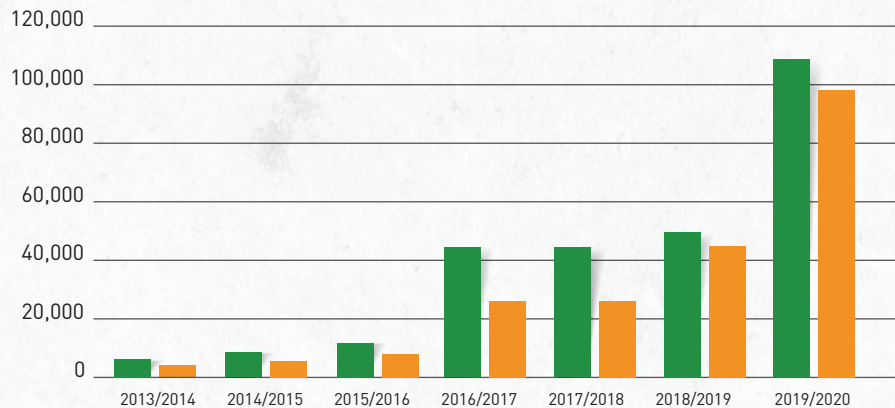


In the year 2013/2014, the Board started financing the Technical and Vocational colleges students, this was in line with the need for the country to develop critical technical skills that had been previously overlooked due to the overemphasis that was given to university education. The Following graphical representation gives the growth in the TVET sector financing from the financial year 2013/2014 to date.

Growth in TVET Budget (Ksh B)



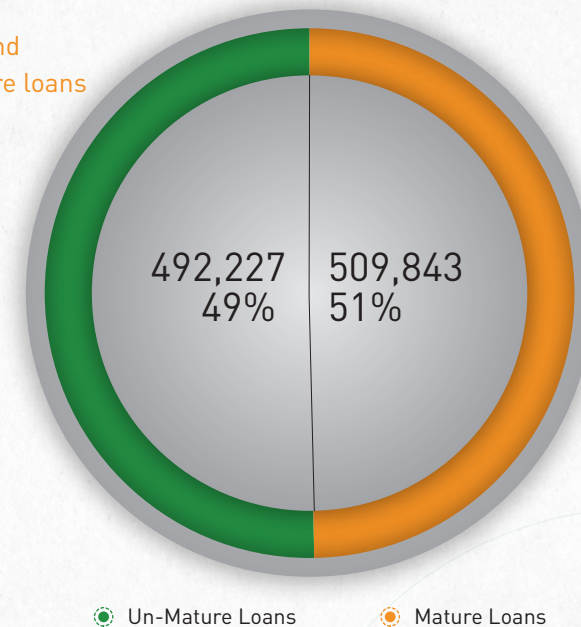
NO of TVET Students Funded



There has been a steady increase in the number of students applying for TVET loans. The demand for these loans grew from 4,900 applications in 2013/2014 to the current demand of 113,415 applications in the year 2019/2020. Revolvability of the HELB finances is key in the achievement of the sustainability goal.

As at March 2020, there were **492,227** mature loan accounts worth **Kshs. 58.5B** while **509,843** loanees holding **Kshs.54.6B** had not matured for repayment. This is represented in the chart below.

Mature and Un-mature loans

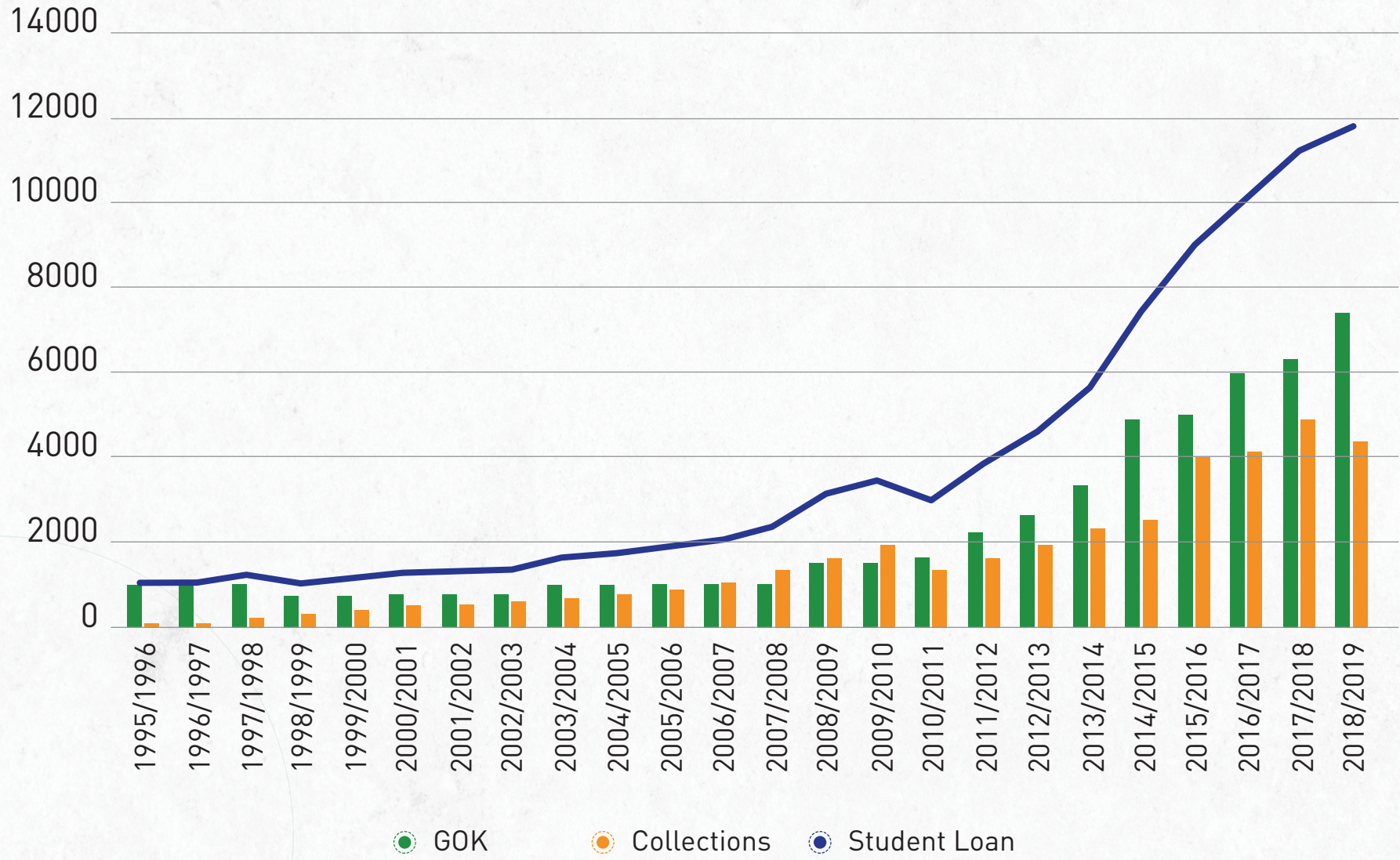


Out of these mature loans, **185,231** accounts holding **Kshs. 28.0B** are repaying their loans while a total of **232,294** loanees holding **Kshs.23.4B** have cleared their loans. A total of **74,702** loanees holding **Kshs.7.1B** are in default. This default group is what HELB is following up to ensure that they are repaying their loans for this noble course of financing other students.

To this date, recovery of mature loan is a major component of resource mobilization which funds between **40% to 50%** of the Student loans annual budget as presented in the chart below:

## Collections (Loan Repayment) Contribution to Student Loans

Amount in Ksh. Millions



HELB endeavors to establish a viable and sustainable revolving fund to ensure continuity and availability of funds for loans, that will in-turn empower the Kenyan youth. In this regard therefore loan recovery has been given a big push. Here, several initiatives have been employed in loan repayment services that include:

- Real-time linkages with strategic partners for data sharing; blockchain
- Flexible repayment plan negotiations e.g. one can pay as little as Ksh.100 per day
- Convenient repayment options: MPESA, Bank standing orders, Direct-Debits, Online payments, Credit & Debit card payments, Salary deductions, Bank & agent deposits, direct MPESA push from HELB Mobile App
- Online services e.g. USSD code, Employer portal whose benefit include timely update of loan accounts, timely stoppage of deductions, no overpayment.

The implementation of these initiatives and many others has led to an increase on the performing loan portfolio with the loan book performance improving from 51.1% in 2011/2012 to 72% in 2018/2019 financial Year.

The total annual collections hit a high of Kshs. 4.9 Billion collected in 2017/2018 Financial Year. This is as shown in the table below:

<i>Year</i>	<i>Amount Collected</i>	<i>Portfolio at Risk (PAR)</i>
2012/2013	3,394,478,728	43%
2013/2014	3,189,121,186	40%
2014/2015	3,357,367,998	38%
2015/2016	3,986,000,481	33%
2016/2017	4,142,980,000	31%
2017/2018	4,902,298,932	30%
2018/2019	4,357,113,799	28%

## Challenges

There have been notable challenges. However, HELB has come up with various strategies that are being implemented to mitigate the adverse effects of the macro-economic dynamics which include:

1. Unemployment of loanees, Retrenchment and downsizing by employers in various sectors Recently, there have been announcements of layoffs by various employers. The most recent ones include East African Portland Cement Company (EAPCC), Stanbic Bank and East African Breweries Limited that affected more than 1000 workers. According to The Standard Media report on 21st September 2019, 388 Kenyan firms have been dissolved in the last 6 months painting a grim picture of tough economic conditions currently facing enterprises in Kenya. While the reasons for dissolution are varied and they range from ceasing operations to those relocating or reorganizing their holding the high attrition rate is remarkable.

According to the KNBS report (2019) on job creation, jobs created fell from 910,000 to 841,000 between 2017 and 2018. Further, several companies listed in Nairobi Stock Exchange gave profit warnings in the last one year, Including Kenya Power, National Bank of Kenya Limited, Sameer Africa, Bamburi Cement, Housing Finance Group.

2. Under employment of loanees;
3. Changing employment trends from long term to short term and even internship;
4. Interest rate capping largely affecting SMEs borrowing hence lack of expansion;
5. Slow economic growth and escalated cost of living; and
6. Migration of loanees to other countries

However, HELB implementation of the various strategies has mitigated the adverse effects of the macro-economic dynamics making the Board defy all odds and post an upward trajectory in Collections.



NTSA Director General George Njao (L) and HELB CEO CPA Charles Reingera (R) after presentation of assistive devices at NTSA offices Upperhill, Nairobi.

### 3.4.1 External Resource Mobilization



Since independence, the major financier of higher education through HELB has been the Government of Kenya. Since 1974 to 31st March 2020, the Board had disbursed Kshs. 113.1Billion to 1,002,070 loanees. However, with the increase in demand for higher education, the demand for funds has outstripped the available funds from the exchequer and loan recoveries. As at the financial year 2018/2019, there were 277, 000 applicants seeking 11.2 Billion whereas the amount allocated was Kshs. 7.44 Billion.

To this end, in 2014 the Board embarked on strategic partnerships to establish revolving funds aimed at strengthening the implementation of its mandate. To date the Board has partnered with 27 partners who have brought on board Kshs. 1.4 Billion. The partners include County governments, profit and non-profit organizations, Constituencies, foundations and individuals. These partnerships have also resulted in diversification of the programs supported by HELB from the traditional degree courses to sector specific middle level courses such as medical related (Afya Elimu fund) and TVET courses in various colleges around the country.

Below is a graphical representation of the growth in annual mobilization of funds arising from collaborations with key stakeholders.

Amount Mobilized (Millions)

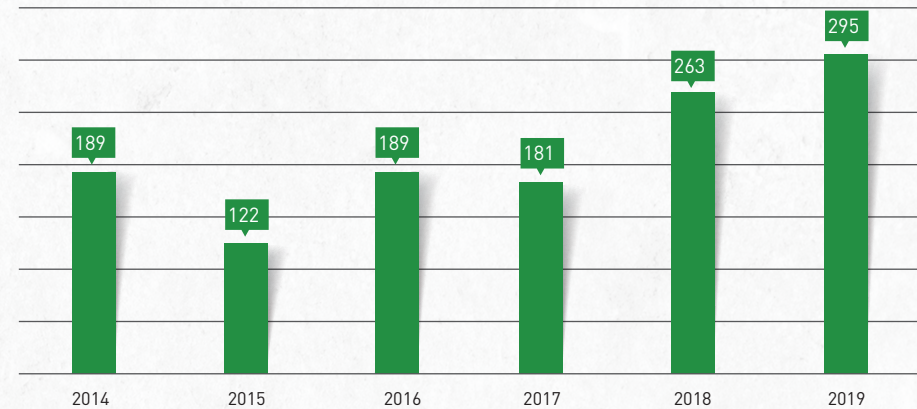


Table 1: Yearly fund mobilizations

The Higher Education Loans Board (HELB) is continuously engaged in pursuing possible solutions to address the challenges facing the various sectors of the economy and how these can be addressed from a skills perspective. HELB has aligned its interventions to the Government development blueprint, The Big 4 Agenda comprising of Universal Health Care, Food Security, Manufacturing, and Affordable Housing.

### 3.4.2 Afya Elimu Fund – A Success story of HELB Collaborations

In 2013, The Higher Education Loans Board in partnership with the USAID-funded FUNZOKenya, Kenya Healthcare Federation (KHF) and the Ministry of Health established the Afya Elimu Fund (AEF). AEF is a revolving fund that aims to provide low interest loans to prospective healthcare trainees in mid-level medical training institutions. The fund focuses on middle level cadres such as nurses, laboratory technologists, nutritionists and clinical officers among others. The fund specifically targets needy students who cannot afford the high cost of medical training and those from underserved regions of the country.





Donation of tool kits to the leading graduating student of Don Bosco Boys Town, Karen in November 2018

The AEF has adopted an operation model that aligns the processes and structures to maximize on efficiency, improve coordination and meet the beneficiaries' expectations.

The schematic diagram below shows the model of operation of the AEF.

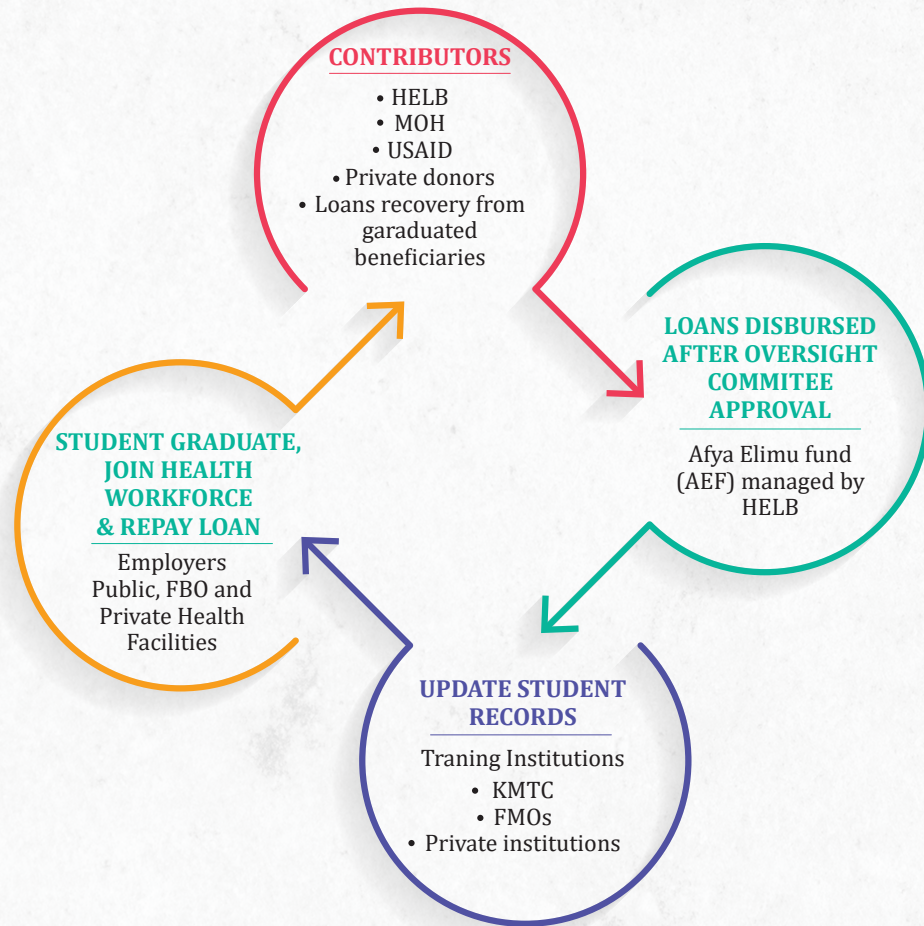


Figure 1: AEF Fund Model

The government of Kenya through HELB has contributed 66% of the accumulated fund at Kshs. 970M. However, the contribution from HELB has increasingly been strained due to an upsurge in competing financing options such as TVET. This has therefore brought about an urgent need to rope in other partners to ensure sustainability of the fund.

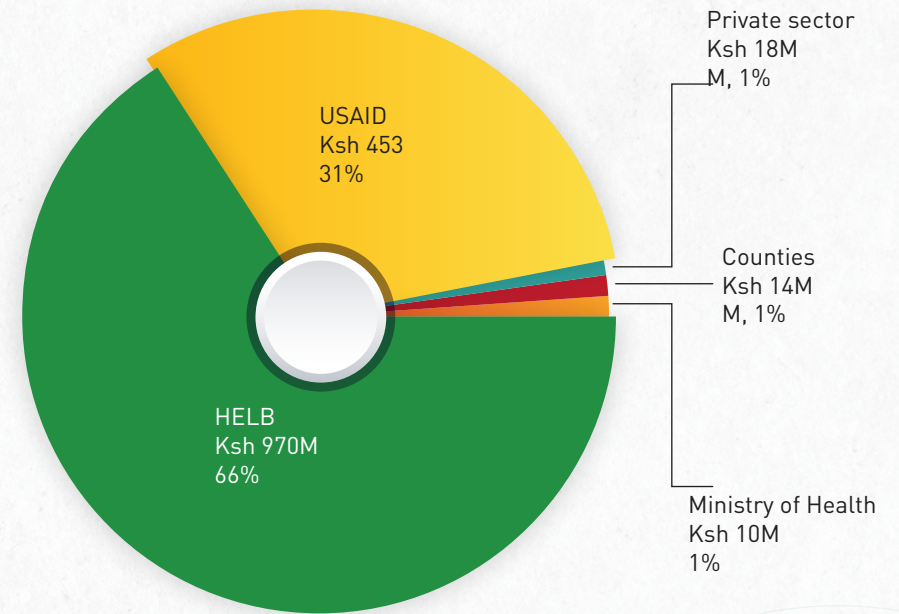


Figure 2: Contribution Status

Afy Elimu Partners



### 3.4.3 Self-Protection Scheme Operationalization

HELB Act Cap 213A Section 6(m) provides for the Board to take insurance cover to cushion it from any losses caused by death, incapacity, inability to pay as the Board deems fit. Also Agenda 2019 -2023 provides for 100% portfolio protection for all students' loan products. The inhouse protection scheme will provide a sustainable way of managing HELB's credit risk through provision of a tailor made and low-cost insurance solution for student loans as opposed to outsourced insurance cover.

The student loans self-protection scheme commenced with 2019/2020 First Time Undergraduate, Afya Elimu 2019/2020 and TVET students. Loans totaling Kshs 4.5 B have so far been covered for 107,868 students. A total of Kshs 32.8 M has been deducted as premium and invested under short term placements.

### 3.4.4 Sector Specific Funds

HELB has traditionally funded university students enrolled in both public and private universities under the government or self - sponsored programs that are under the Ministry of Education. This had left out other students enrolled in private tertiary institutions, government TVET institutions under other ministries. To address the Kenya Constitution directive that every child has a right to education and to eliminate discrimination in higher education financing, HELB has entered into partnership with various partners to create sector specific funds and is seeking more partnerships in ensuring that all students who apply for financing will be adequately financed to enable them complete their education.

The Afya Elimu Fund, a public private partnership between HELB and private partners which to date has benefitted 25,631 students. As at 31st December 2019, 13, 000 beneficiaries had graduated from the various medical training colleges around the country and are working in hospitals spread around the country.

HELB partnered with Simba Foundation to set up The Simba Foundation

Revolving Fund in 2017. The objective of the fund is to provide funding to students from less privileged backgrounds at St. Kizito Vocational Training School and Eastlands College of Technology to support students studying specialized TVET courses in the motor industry. The fund has so far allocated Kshs. 5M to 73 beneficiaries studying Automotive Technology and Engineering. The partnership offers the students demand and practice-oriented training to enhance their employability by combining theory and hands on training at both college and Industry. In addition to technical training, the program provides personal skills necessary for students' success after training.

Bar Examination Financing was established in 2019 in partnership with the Council for Legal Education to finance law student sitting for Advocates training Program. As at 31st December 2019, the fund had disbursed Kshs. 6.6 Million to 148 candidates.

### 3.4.5 Smart Card Implementation



In the FY 2018/2019, HELB in collaboration with various banks commenced implementation of student smart card in its quest to enhance efficiency in funds disbursement and promote financial stewardship among our key customers. The card has 3 e-wallets; the tuition wallet will be swiped at the university cashier's POS while the upkeep wallet can be used at the student cafeteria, supermarket, cashed at the ATM and M-PESA transfers. Over ten universities have implemented the Smart Card system.

In the last 5 years, HELB has implemented the following cost minimization strategies for cost efficiency:

- Paper usage by ensuring that printing and photocopying on all official documents is done on back to back basis with Cambria font 11
- To reduce service charge, HELB staff are encouraged to switch off computers and other electronics, taps closure after working hours.
- Transport - use hired transport economically, Manage self-drive mileage payments, car- pool and taxis

In the last 5 years, HELB has implemented the following cost minimization strategies for cost efficiency:

- Reliably evaluating the expenditure on conferences/events to establish cost saving window opportunity.
- Outsourcing support services such as cleaning services.

Cost Efficiency Index- CEI \_\_\_\_\_



HELB strives to increase this index by 0.5 yearly by implementing the following:

- Regular monitoring and evaluation of the approved budget to ensure 99% absorption rate
- Prudent fixed assets management by targeting 100% tagging and verifying of the assets in the fixed asset register

### 3.5 Innovation



#### 3.5.1 Knowledge Management



The relevant SDG targets and the GRI standards applicable to the topic boundaries of Knowledge Management and Research & Development are shown in the table below:

SDG NO.	SDG TARGET RELATING TO HELB	GRI STANDARD APPLICABLE
	Enhance research, upgrade the technological capabilities, encouraging innovation and substantially increasing the number of research and development workers and public and private research and development spending	

HELB has developed and is implementing a Knowledge Management Policy. The policy was approved by the Board of Directors in October 2019.

By implementing the Knowledge Management and Innovation Policy, HELB ensures that the knowledge generated within the Board is systematically identified, analyzed, documented and shared. In addition, knowledge management processes ensure that appropriate lessons learned, and good practices are gathered and disseminated. The process outlines how knowledge will be disseminated and identifies the most appropriate channels according to the target audience. The knowledge gained is used to support capacity building and institutional strengthening for the stakeholders.

The knowledge management framework adopted applies to all types of knowledge and innovations that are being carried out either directly or indirectly (from external stakeholders) to support decision making in the Board. The goal of implementing the Knowledge Management framework is to:

- Disseminate and share the Board’s existing knowledge and continuous learning, so as to enhance operational efficiency through the proper use of intellectual capital.
- Provide and promote access to the knowledge content base using appropriate technology, ensuring both tangible and tacit knowledge are managed effectively. These include reports, presentations, know-how and skills.

- c. Support innovation by creating an open and transparent environment with good practice and documentation managed and shared appropriately.
- d. Provide HELB staff and stakeholders with the facilities and skills to find, share, evaluate, organize and use knowledge and undertake research.
- e. Ensure the HELB's knowledge assets are managed to prevent the duplication of effort. To eradicate the repetition of error, mitigate the risks of reliance on an ageing workforce and to ensure tapping and retention of knowledge from outgoing employees.

In the FY2018/2019, Knowledge Management champions, representing each functional area, were appointed and have been trained. We are targeting to develop and operate a self-service Knowledge Management portal by 30th June 2021.

### 3.5.2 Research & Development

HELB promotes and facilitates innovation and research & development (R&D) activities geared towards ground-breaking products and solutions that will improve current products and services and create new products and services as per the emerging customer needs. This was achieved through cataloguing challenges and solutions arising from service delivery and undertaking case studies of continuous improvement initiatives. This promotion may be in the form of:

- Partnerships with research institutions;
- Participation in programs that promote innovation & R&D;
- Engaging in activities that promote innovation and R&D such as consultancies, collaborations and surveys; and
- Organization of forums for employee and stakeholders to present ideas, research work and project proposals.

Every financial year, HELB commits itself to undertake at least one (1) market intelligence research. The topic chosen for the research conducted in the financial year 2018/2019 was *“Enhancement of Student Loan Portfolio Performance”*. The topic selected for the financial year 2019/2020 is *“Knowledge, perception and impact of HELB products and services, their impact in empowering*

*dreams of the Kenyan youth and what needs to be done to enhance the impact”*. The recommendations emanating from the annual research reports are utilized by HELB to assist in decision making.

### 3.5.3 Fin-Tech Optimization

*Requested data: (Establishment of a robust data management information system and ensure big data utilization.)*

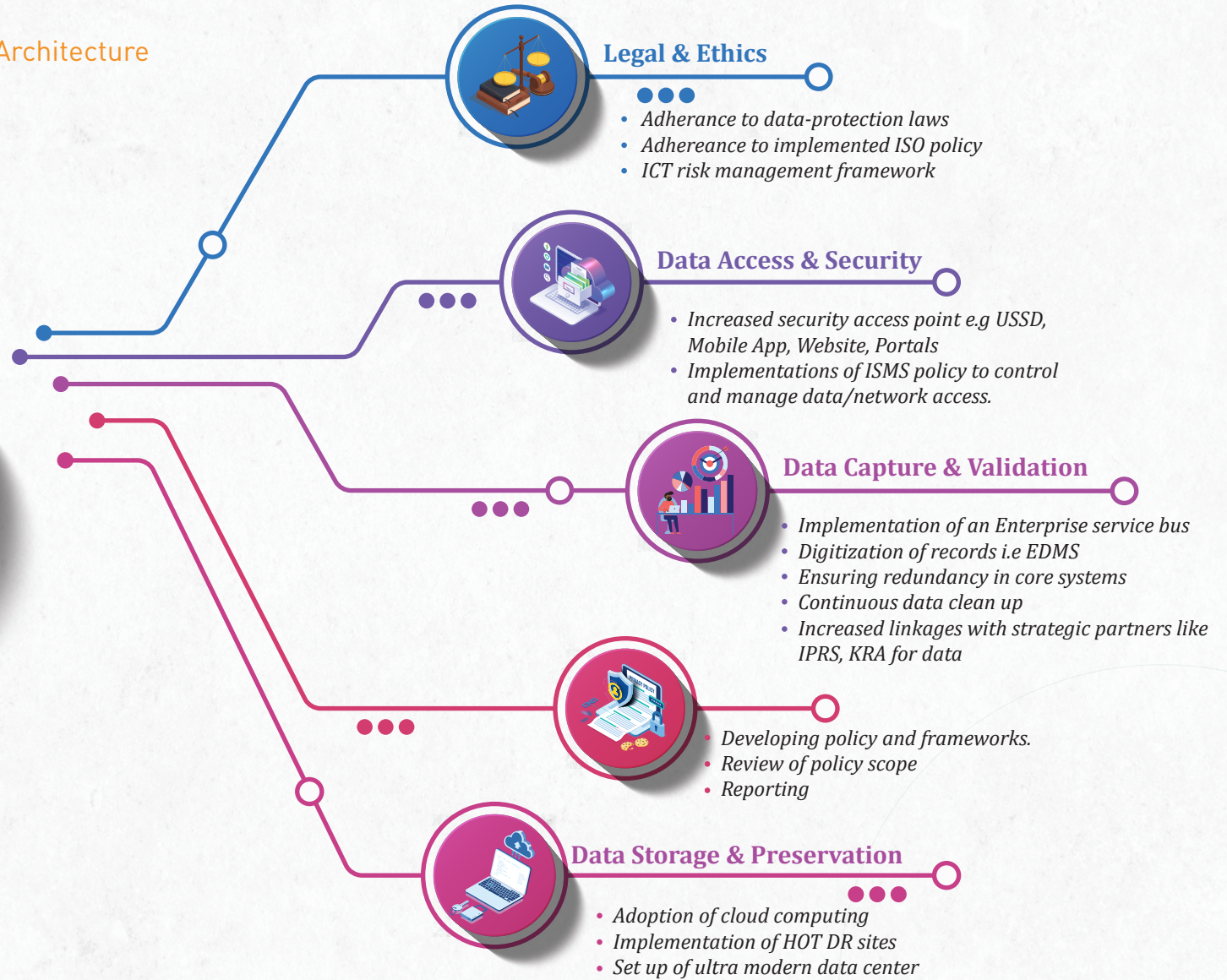
Data is the most critical asset for any organization. A significant investment is made in time, collection, preservation and running technology systems. Ensuring accuracy and maintaining value of data requires proper planning, development, implementation of systems, reliable storage, security, retrieval, dissemination and archiving of data.

To realize the above, HELB under guidance from ICT roadmap and Corporate Strategic plan 2019-203, has undertaken continuous improvement of ICT infrastructure in order to ensure sustained performance levels, scalability, and continuous availability of business systems while protecting corporate data as well as abiding by the local laws regarding data protection.

ICT has been an integral player in delivery of Corporate strategic plans, through adoption of key frameworks, acquisition of competitive and innovative technology solutions, policies as well as infrastructure projects and staff capacity building. These are the key pillars that have promoted sustained customer delivery by ensuring our data collection points and systems interaction both external and internal take in consideration the sophisticated nature of today's technology user where mobility is key.

Some of the key milestones attained in ensuring a reliable and effective data management architecture can be summarized as follows;

## Data Management Architecture





HELB at Thika School for the Blind in 2018

Availability of a robust and clean data presents the board with a platform to implement big data framework and a centralized data repository for advanced analytical reporting. Intelligence based reporting offer a key role in presenting structured semi and unstructured data into meaningful information. With adoption of add-on emerging technologies like Machine learning systems, this information will be further processed into knowledge base for the Board and National government.

In addition, artificial intelligence policy is underway to ensure AI implementation framework is formalized and AI working solutions touching on key business areas in the Board identified for development and deployment. The advancement of AI within the Board goes along way in delivery of an integrated online services and enhance self-service platform based on computer mediated actions and communication to our clients and strategic partners. Achievement of this business automation will translate to enhanced customer experience, improved loanee tracing mechanisms and efficient loan disbursements among other benefits.

HELB conducts and publishes a report on the Voice-Of-The-Customer survey every two years to gauge the Customer Satisfaction [C-SAT] Score and enable HELB to take remedial measures where necessary. HELB also promotes Customer Feedback mechanisms such as Customer Experience Town Hall Meetings with staff from which feedback reports and findings are established and implemented.



Tree planting session at Nairobi School in 2019





Students at Nairobi School tree planting session with HELB CEO CPA Charles Ringera

## 4.0 OUR GREEN AGENDA

In 2020, The HELB Board of Directors approved the HELB Sustainability Policy which outlines the Sustainability Agenda Pillars, the approach taken by HELB to proactively manage the Sustainability Agenda through deliberate and proactive engagement with its stakeholders as well as the alignment to globally recognized sustainability reporting standards.

HELB identified the following key sustainability pillars:

- a. **Planet:** Protect our planet's natural resources and climate for future generations [Environment];
- b. **Partnership:** Value added partnerships for execution of sustainability related initiatives [Education & Health];
- c. **People:** Uphold integrity as well as promote dignity and equality in the communities we are involved with [Education & Health].

In order to implement, drive and maintain the Sustainability Agenda, HELB commits to align to the global Sustainable Development Goals [SDGs] as well as the Global Reporting Initiative [GRI] Standards for the purpose of identifying relevant sustainability related material topics and topic boundaries. This will include preparing and publishing a Sustainability Report *every two years* in accordance with the GRI Standards.

The principles that shall underpin the Sustainability Agenda are as follows:

- a. Common definition of Sustainability applied across the Board;
- b. Standardized and practical processes to support application of common standards to identify and assess economic, environmental and social impacts of significant activities by the Board;
- c. Compliance with Legal & Regulatory requirements;
- d. Continued alignment to international best practices;
- e. Incorporation and promotion of the HELB Green Agenda;
- f. Integration of Sustainability Agenda elements with existing policies, processes and procedures to avoid role conflicts or duplication;
- g. Provision of adequate resources (people, training, ICT systems, availability of expert material & advice, decision making support) to staff directly involved in the further development of the Sustainability Agenda;

- h. Provision of useful targeted communication and training to all staff upon implementation to increase buy-in and adoption;
- i. Allocation of resources towards proactive channels for dialogue with stakeholders, in order to establish balanced relationships between corporate values and social expectations;
- j. Commitment to the principles of integrity and equity as drivers of credibility and mutual trust as foundations for building relations with stakeholders;
- k. Disseminate significant and reliable information on Sustainability related activities and periodically prepare and publish relevant reports.

**Planet:** \_\_\_\_\_

By engaging in Environmental Conservation, HELB seeks to protect, preserve, manage and restore natural environments and the ecological communities that inhabit them. HELB does not own any land but has over the last four years planted trees in several locations in and around Nairobi. This has been done in collaboration with the Kenya Forestry Service.

The areas the trees have been planted are tabulated below:

LOCATION	NUMBER OF TREES
Ngong Road Bypass	1,500
Ngong Hills	2,000
Kibiko Ngong Forest	2,000
Chemususu Dam	1,300
Nairobi School	2,000
<b>Total</b>	<b>8,800</b>

The trees planted in Nairobi School were adopted by the School's Environment Club while those planted in gazetted Forest Areas are tended by members of the communities around the forests, in collaboration with Kenya Forest Service [KFS] and HELB.

With effect from Financial Year 2019/2020, HELB will continue partnering with Environment Clubs in schools to plant trees in the school premises. The students in the said schools will then be encouraged to adopt the trees, with support from HELB to ensure their maintenance to maturity.



Nairobi School tree planting 2019

## CLOSING REMARKS: OUR SUSTAINABILITY VISION

For the last 25 years, HELB has empowered the dreams of more than **1M** students and disbursed over **Kshs. 113B** in a deliberate focus to not only achieve our mandate but to positively impact the lives of needy Kenyan youth pursuing higher education.

As HELB, we appreciate that there is still much to be done and we commit to integrate Sustainability into our strategy and translate our objectives into tangible and impactful plans that can be embedded into the day-to-day operations of the organization.

While the Board of Directors will be responsible to ensuring Sustainability forms an important aspect of the HELB overarching strategy, management led by the CEO will oversee the implementation, monitoring and reporting on Sustainability Initiatives.

We appreciate the time you have taken to read our Inaugural Sustainability Report. You may share your suggestions or feedback regarding this report via [ceo@helb.co.ke](mailto:ceo@helb.co.ke)

# EMPOWERING DREAMS

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