

This work is licensed under a
Creative Commons Attribution-NonCommercial-
NoDerivs 3.0 Licence.

To view a copy of the licence please see:
<http://creativecommons.org/licenses/by-nc-nd/3.0/>



INFORMATION-BASED BUSINESS
DEVELOPMENT SERVICES IN
KENYA

LIBRARY
23 OCT 2001

Occasional Paper Number 66

Research, Monitoring and Evaluation (RME) Project
Institute for Development Studies
University of Nairobi

INFORMATION-BASED BUSINESS DEVELOPMENT SERVICES IN KENYA

A BENCHMARK STUDY OF SELECTED PROJECTS

Occasional Paper Number 66

by

The REME BDS-Information Research Team

E.H.O.Ayiemba

R.N.Otunga

K. Aduda

H. Bwisa

M.Muchiri

E.Njeru

J.Njoka

O.I.Odulajah

P.Ondiege

P.Rono

B. Sabana

F.Wegulo

Research, Monitoring and Evaluation (REME) Project.

Institute for Development Studies

University of Nairobi

July 1999

Copyright ©1999.

The views expressed in this paper are those of the authors. They should not be interpreted as reflecting the views of the Institute for Development Studies or the University of Nairobi.

The paper may be quoted without prior consent provided that all such quotations are fully acknowledged.

Address all inquiries to:

Director
Institute for Development Studies
University of Nairobi
P.O. Box 30197
Nairobi

Phone: 254-2-338741
Fax: 254-2-222036
E-mail: ids@nbnet.co.ke

ACRONYMS

DFID -	Department for International Development
BASE -	British Aid to Small Enterprises
REME -	Research, Monitoring and Evaluation
BDS -	Business Development Services
IBP -	Information-Based Projects
MSE -	Micro and Small Enterprises
K-MAP -	Kenya Management Assistance Programme
SAMED -	Small and Micro-Enterprise Development
SEAS -	Small Enterprises Award Scheme
KEPP -	Kenya Entrepreneurship Promotion Programme
K-REP -	Kenya Rural Enterprise Programme
SEDECO -	Small Enterprise Development and Employment Creation Organization
ICPAK -	Institute of Certified Public Accountants of Kenya
GSI -	Gender Sensitive Initiatives
FHI -	Food for the Hungry International
FIT -	Farm Implements and Tools
NSE -	Nairobi Stock Exchange
TOT -	Training of Trainers
MHANHCSS -	Ministry of Home Affairs, National Heritage, Culture and Social Services
KYFEA -	Kenya Youth Finance and Entrepreneurship Association
ITDG -	Intermediate Technology Development Group
SSJKE -	Small Scale and Jua Kali Enterprises
HABRI -	Housing and Building Research Institute
NPEP -	National Public Education Project
CPK -	Church Province of Kenya

Executive Summary

This document is a benchmark survey report of the DFID-BASE funded projects that focus on MSEs in Kenya. DFID-BASE has been supporting financial and business development services projects in Kenya as well as the deregulation unit of the Ministry of Planning and National Development (MPND). Our focus is on the Business Development Services-Information Based Projects, whose focus is on training, counselling, information documentation and dissemination, sign posting and linkages, and marketing and financial management services.

The survey, on which this report is based, was undertaken between late 1997 and early 1998 following an understanding between DFID-BASE and IDS-University of Nairobi's REME Project. The purpose of the survey was to compile profiles of the recipient projects as well as those of their beneficiaries. This data would be useful in future for assessing the impact of the projects in question in relation to the overall goal of DFID support to the MSE sector in Kenya, i.e. increasing income and employment for rural households through supporting off-farm activities, especially among women.

Interview guides, questionnaires, observations and checklists were used to collect the relevant data. Descriptive statistics such as frequencies and percentages were used to analyse and interpret the data collected.

It was found that information based interventions were being implemented by differing organisations, some of which had well established structures and systems, while others were still nascent. The foci of these organisations lay in the area of BDS for MSE sector and they were all quite selective in the socio-demographic, economic and entrepreneurial features of their target. The gender balancing principle appears to be a significant driving force behind project design and implementation. This was in recognition of the DFID-BASE emphasis on poverty alleviation, especially among women.

Generally, the organisations/projects studied targeted both individuals and institutions. The targeted beneficiaries were mainly middle-aged, fairly educated and vocationally trained entrepreneurs earning low incomes and only beginning to move out of on-farm activities. Some of the individuals did not have enterprises, but they were management staff of key institutions serving the MSE sector. Indeed there was still strong attachment to land and livestock ownership. Most of the beneficiaries had received more than one BDS-information service for the 1-2 year period during which they were members and were pleased with the services as implied in their recommendations for intensified assistance. Indeed few beneficiaries had other sources of assistance.

In terms of the usefulness of the data for future impact assessment, it is clear that the beneficiary activities and interaction with the respective projects will be bound to affect them as individuals (personal growth), their enterprises (assets, income), their households (general welfare) and the wider communities in which they operate. We thus recommend that the data on impact assessment focus on these four levels and that the key variables of income, employment and assets as well as the qualitative aspects of wellbeing be clearly investigated during the impact study.

TABLE OF CONTENTS

	Page
Acronyms	i
Executive Summary	ii
Table of Contents	iv
List of Tables	vi
Foreword	vii
Acknowledgements	viii
PART I: THE STUDY AND GENERAL FINDINGS	1
1.0 BACKGROUND	3
1.1 Introduction	3
1.2 The REME Project	4
1.3 Definition and Importance of BDS	5
1.4 Study Objectives	6
1.5 Justification of the Study	6
1.6 Methodology	7
2.0 LITERATURE REVIEW	11
2.1 General Perception	11
2.2 Perception of the Kenyan MSE Sector	13
2.3 Policy Issues Pertaining to MSEs	14
2.4 Emerging Issues on MSEs	15
2.5 Business Service Interventions	17
2.6 Target Beneficiaries and Anticipated Benefits	19
3.0 GENERAL FINDINGS	20
3.1 Preamble	20
3.2 Diversity and Project Foci	20
3.3 Suitability of Organisational Structures	21
3.4 Overview of Client/Beneficiary Profiles	21
3.5 Lessons Learnt	22

PART II:	PROJECT DESCRIPTIONS	23
4.0	BUSINESS TRAINING AND COUNSELLING PROJECTS	25
4.1	K-MAP	26
4.2.	SAMED	35
4.3.	SEAS	43
4.4.	Tototo Home Industries	50
5.0	INFORMATION DISSEMINATION AND NETWORKING PROJECTS	56
5.1.	SME Information Dissemination	57
5.2.	KEPP	57
5.3.	K-REP Arifu Documentation Centre	64
5.4.	SEDECO Limited	67
5.5.	Nairobi Stock Exchange (NSE)	73
6.0	FINANCIAL MANAGEMENT SERVICES	80
6.1	ICPAK Management and Geographical Location	82
6.2	Demographic Characteristics of ICPAK Beneficiaries	82
6.3	Socio-Economic Characteristics of ICPAK Beneficiaries	83
6.4	ICPAK Business Structure and Diversity of Activities	84
7.0	MARKETING SUPPORT SERVICES	85
7.1.	Gender Sensitive Initiative	85
7.2.	T.F. Express Limited	89
7.3	Jacaranda Workshop Ltd.	91
	REFERENCES	95
	APPENDIX: Survey Questionnaire	98

LIST OF TABLES

	Page
Table 1: Demographic Characteristics of K-MAP Beneficiaries	29
Table 2: Socio-Economic Characteristics of K-MAP Beneficiaries	30
Table 3: K-MAP Business Structure and Diversity of Activities	33
Table 4: Demographic Characteristics of SAMED Beneficiaries	37
Table 5: Socio-Economic Characteristics of SAMED Beneficiaries	39
Table 6: SAMED Business Structure and Diversity of Activities	41
Table 7: Demographic Characteristics of SEAS Beneficiaries	45
Table 8: Socio-Economic Characteristics of SEAS Beneficiaries	47
Table 9: SEAS Business Structure and Diversity of Activities	49
Table 10: Demographic Characteristics of Tototo Beneficiaries	51
Table 11: Socio-Economic Characteristics of Tototo Beneficiaries	52
Table 12: Tototo Business Structure and Diversity of Activities	55
Table 13: Demographic Characteristics of KEPP Beneficiaries	60
Table 14: Socio-Economic Characteristics of KEPP Beneficiaries	62
Table 15: KEPP Business Structure and Diversity of Activities	63
Table 16: Types of Training and Duration: SEDECO Beneficiaries	69
Table 17: ICPAK Organisational Goals/Objectives & Resource Allocation	81

FOREWORD

The Benchmark Study of Information-Based Business Development Services to Micro and Small Enterprises in Kenya was conducted by the Institute for Development Studies (IDS), University of Nairobi. This report of the study is a product of the Research, Monitoring and Evaluation (REME) project undertaken by IDS with funding from the British Government's Department for International Development (DFID).

The study examined projects funded by DFID that offer information-based business development services to micro and small enterprises in Kenya. The organisations and the services offered vary considerably. The thirteen projects provide businesses with training and counselling, information dissemination and networking, financial management services and marketing support. Although there have been many project evaluation studies conducted over the past decade, these have tended to focus on organisational matters such as numbers of clients reached and operational efficiency. They have shed very little light on the actual impact of the services on the recipients, their enterprises, their households or their communities. This study prepares the ground for such an assessment of impact by providing basic information about a number of projects and their clients.

Researchers visited the institutions, their branches, and individual clients in an attempt to understand the nature of the services provided and their potential impact. This report summarises the information gathered. I believe that it will be a useful resource for researchers, NGOs, and all those concerned with improving services to micro and small enterprises in Kenya.

Prof. Patrick O. Alila
Director, IDS

ACKNOWLEDGMENTS

On behalf of the research team that executed this challenging task, we acknowledge the financial and support of DFID-BASE. We also express our sincere gratitude to Prof. Patrick O. Alila, IDS Director, and Dr. Dorothy McCormick, REME Co-ordinator, for initiating, organising and sustaining the study on which this report is based.

In addition, we are grateful to the staff and management of the thirteen projects for their valuable assistance and information, without which this benchmark would not have been executed. We also express our appreciation to all the twenty-eight research assistants for helping the research team with data collection. Finally, we sincerely extend our appreciation to Mr. John Karanja for his expertise in data processing and Ms Mary Randiki for the extreme patience in typing the manuscript.

The report itself was the work of many hands. Research team members provided project reports, which were edited and combined by the cluster coordinators and team leaders. Dr. Ruth Otunga and Mr. John Njoka, together and separately, undertook further editing. Dr. Dorothy McCormick, as REME Coordinator, served as overall content editor for the Benchmark Studies. Finally, Dr. Kithaka Mberia provided the final copy editing that brought the report to its present form. To all, we are grateful.

Ilías H.O. Ayiemba, University of Nairobi
Ruth N. Otunga, Moi University
Team Leaders.

1.0 BACKGROUND

1.1 Introduction

The Government of Kenya, like governments of other developing countries, has pursued a policy of economic development. The government has, therefore, identified the economic development of Kenya as its primary objective and has formulated a series of development plans to guide the country's economic growth. The first development plan was the Kenya Development Plan, 1962-1966 (Kenya, 1962). This was followed by the Kenya Development Plan, 1967-1971 (Kenya, 1967), the Kenya Development Plan, 1972-1976 (Kenya, 1972), and the current National Development Plan, 1977-1981 (Kenya, 1977).

It has been argued in many quarters that the Kenya government has the capacity to generate employment and income to provide the foundations for the country's economic development. Parker and Turner (1970) estimated that Kenya's human resources at independence were about 1.5 million, comprising two million

PART I: THE STUDY AND GENERAL FINDINGS

- 1.1.1. Promoting social and regional economic development
- 1.1.2. Promoting revenue and increasing investment
- 1.1.3. Promoting employment
- 1.1.4. Promoting socio-economic linkages
- 1.1.5. Facilitating transition to market economy and
- 1.1.6. Promoting a more flexible, innovative and competitive economic structure.

The objectives of the study are to identify the constraints to economic growth and to recommend measures to overcome these constraints. The study is organized into four chapters. Chapter I discusses the background and objectives of the study. Chapter II discusses the methodology used in the study. Chapter III discusses the findings of the study. Chapter IV discusses the conclusions and recommendations of the study.

IDS Occasional Paper No. 65

ART 1: THE STUDY AND GENERAL FINDINGS

1.0 BACKGROUND

1.1 Introduction

The Government of Kenya, like governments of other developing countries, regards the micro and small enterprises (MSEs) sector as significant for socio-economic development. The government has, therefore, identified this sector as the primary means for sustainable socio-economic development. This view is expressed in such government policy documents as Sessional Paper No. 1 of 1986 (Kenya, 1986); the Sixth National Development Plan, 1989-1993 (Kenya, 1989); Sessional Paper No. 2 of 1992 (Kenya, 1992); and the current National Development Plan, 1997-2001 (Kenya, 1997).

It has been argued in many fora that the MSEs sector has the capacity to generate employment and income to provide the foundation for the country's industrialisation. Parker and Torres (1993) estimated that Kenya has over 900,000 micro and small enterprises, employing nearly two million people. Specifically, MSEs help the achievement of broad development objectives such as:

- Promoting national and regional socio-economic development;
- Alleviating poverty and assisting those who are disadvantaged;
- Promoting employment;
- Providing socio-economic linkages;
- Facilitating transition to market economy; and
- Promoting a more flexible, innovative and competitive economic structure.

The importance of MSE development in achieving the above objectives is manifested through increased donor commitment to this sector. One

of the donors supporting this sector is the Department for International Development (DFID), through its British Aid to Small Enterprise (BASE) programme. DFID's support for MSE development in Africa rose from Sterling pound 0.3 million in 1992-93 to Sterling pound 10.1 million in 1996-1997.

1.2 The REME Project

The Research, Monitoring and Evaluation (REME) project is based on an understanding between DFID-BASE and the Institute for Development Studies (IDS), University of Nairobi. The purpose of the project is to enhance the capacity for the assessment of the impact of DFID interventions in Kenya's MSEs sector. In preparation for the evaluation and impact assessment, it was found necessary to conduct benchmark studies. For administrative efficacy, it was deemed appropriate to categorize the DFID-supported projects into three broad groups, namely;

- Finance
- Deregulation, and
- Business Development Services (BDS)

BDS was further divided into technology-based and information-based service projects. This report is on BDS Information-Based projects, namely:

1. Kenya Management Assistance Programme (K-MAP)
2. Small Enterprises Award Scheme (SEAS)
3. Tototo Home Industries Ltd.
4. Social Development Assistants (SDA) Training project under Small and Micro-Enterprise Development (SAMED) and the Ministry of Home Affairs, National Heritage, Culture and Social Services (MHANHCSS)

5. MSE Information Dissemination
6. Kenya Entrepreneurship Promotion Programme (KEPP)
7. K-REP Arifu Documentation Centre
8. Small Enterprise Development and Employment Creation Organization (SEDECO)
9. Nairobi Stock Exchange
10. Institute of Certified Public Accountants of Kenya (ICPAK)
11. Jacaranda Workshop Ltd.
12. Gender Sensitive Initiatives (GSI)
13. T.F. Express Ltd

1.3 Definition and Importance of BDS

BDS are non-financial promotional services offered to businesses. They include training, research, counselling and advice, consultancy services, information, technology design, technology development and transfer, business linkages, and provision of infrastructure. The importance of these services lies in the fact that they lubricate the engine of MSE development. They help businesses overcome various performance constraints.

For the purposes of this study, REME covered projects offering the following BDS aspects:

- Business training and counselling services;
- Information dissemination and networking services;
- and
- Marketing support services.

1.4 Study Objectives

The broad study objective was to establish a data base on the status of BASE-funded BDS in preparation for future evaluation and impact assessments.

Specifically, the objectives of the benchmark study were:

- (a) To develop general profiles of the BASE-funded projects
- (b) To develop profiles of clients served by the BASE-funded projects.

1.5 Justification of the Study

The data-base established from the benchmark study promises both direct and indirect management and economic benefits. Direct benefits will accrue from improved quality of decision-making on management. Apart from the training aspect of BDS, the other components make up a relatively underdeveloped field. Not all donors and practitioners may be conscious of how much they know about the effects of their interventions on MSEs. It is, therefore, hoped that the benchmark data will enable them to identify good and bad practices. This will, hopefully, avail an opportunity to develop principles and approaches which underpin the design and implementation of effective BDS for MSE development.

Furthermore, the data-base will indirectly enable each project to improve its efficiency of operations. It should be emphasised that the multi-disciplinary approach in this study could enrich the quality of the data-base established. Lastly, this study is particularly important in assisting researchers to carry out the intended impact assessment of the BASE-funded projects.

1.6 Methodology

1.6.1 Purpose of the Study

Available literature shows that the purposes for which a research is conducted has important implications for the structuring of the entire activity (Singleton et al. 1988; Babbie, 1983). Researchers in social sciences distinguish among three broad purposes of the study designs as exploratory, descriptive and explanatory. From the outset, this study was conceived as descriptive. The study aims to provide background information on the organisations and their clients to serve as a benchmark for future impact assessment research. It is on the basis of this broad purpose that the research team formulated its methodology.

1.6.2 Organisation of the Study

In the REME benchmark survey, we focus on: (a) the profiles of recipient institutions (i.e. background, objectives, activities, services rendered, target beneficiaries, administrative and management structures) and (b) beneficiary profiles (i.e. socio-economic and demographic characteristics, household structures and needs, structures and diversity of activities and importantly, views on institutional performance and suggestions for improvement).

On the basis of similarities of activities and services provided, the size of the project and uniqueness of the activities and services rendered, the research team categorized business development services projects as follows:

- Business training and counselling services Projects (K-MAP, SEAS, SAMED and Tototo Home Industries);

- Information dissemination and networking services projects (MSE Information Disseminations, KEPP, K-REP Arifu Documentation Centre, SEDECO Ltd and the NSE).
- Financial management services (ICPAK); and
- Marketing support services projects (Jacaranda Work shop Ltd., GSI and TF Express Ltd).

It was agreed that a complete survey be carried out on all of them and the researchers were distributed accordingly.

1.6.3 Sampling Strategy

The projects with wider coverage (K-MAP, SEAS, and SAMED) required sampling. The information available from project offices indicated their geographical distribution to be as follows:

- K-MAP has three permanent offices in Mombasa, Nairobi and Eldoret. There were also mobile offices in Nyeri, Meru, Murang'a, Kisii, Machakos and Kitui.
- SEAS has main offices in Nairobi, Mombasa and Kisumu and smaller offices in Bungoma, Mbale and Nyeri
- SAMED covered 18 districts, but the largest number of trainees were in Laikipia, Kisumu, and Murang'a. Others were in Machakos, Nyeri, Kakamega, Kwale, Nyamira and Kericho.

It was further observed that the possibility of a probabilistic sampling design may not be realistic given that in some projects (e.g. SAMED), there was heavy concentration of activities in certain areas as opposed to others. Moreover, field logistics during the time of electioneering as well as the rainy period rendered some areas inaccessible. The group, therefore, agreed that a purposive sampling strategy was the best option to enable areas with more activities and greater accessibility to be covered within the shortest time possible. Accordingly, the team covered the following areas for the projects requiring sampling:

- K-MAP - Mombasa, Nairobi and Eldoret. A total of 36 beneficiaries of K-MAP's Mwezi Kali (Business Growth Training) project were covered: 20 in Nairobi, 11 in Mombasa and 5 in Eldoret.
- SAMED - Projects which had trained over 20 persons were purposively selected in Laikipia, Kisumu and Murang'a. For each of these three districts, random sampling of the trainees was based on the list of names provided during the fieldwork. A total of 48 SAMED clients of the SDA Training Project were covered - 17 each in Murang'a and Kisumu and 14 in Laikipia.
- SEAS - Nairobi, Mombasa and Kisumu. The team interviewed 43 SEAS beneficiaries, 12 each in Nairobi and Kisumu and 19 in Mombasa.
- Tototo Home Industries Ltd. was located at the coast only, with a heavy concentration of its beneficiaries in Mombasa. The team interviewed 38 of them.
- KEPP was found in Thika and its environs. A total of 25 beneficiaries (17 in Thika and 8 towards Nairobi) were interviewed.
- ICPAK - The team interviewed 16 clients, all in Nairobi
- SEDECO - The team interviewed 6 clients in Machakos.
- NSE - The team interviewed 6 clients in Nairobi

No client interviews were conducted for MSE information, GSI, TF Express, or Jacaranda Workshops for reasons explained in the descriptions of each of these projects.

Due to the heterogeneity of the projects and their unique problems, sampling designs also tended to vary from random to purposive sampling and, at times, the team used entire populations.

1.6.4 Types, Sources and Methods of Data Collection

Data were collected from both primary and secondary sources. The primary data comprised the profiles of recipient institutions and clients and discussions with key informants. Secondary data were obtained from the project papers i.e. project and policy documents, and research reports.

The main methods of data collection were interviews and direct observation. As a result, the following instruments for data collection were used:

- Interview guide and questionnaires used to collect data from the main respondents (i.e. project management, employees and beneficiaries).
- Checklists used to collect data from the key informants.

1.6.5 Limitations of the Study

Due to the heterogeneity of the BDS information-based projects, there was variance in the information obtained. The problems encountered included failure to get full information from some projects and clients.

The uniqueness of some projects and the services provided, made it necessary in some cases to modify the standard instruments designed for the benchmark survey. The uniqueness also made it necessary for researchers to use different sampling procedures. This partly accounts for the variations in the nature of the data collected.

2.0 LITERATURE REVIEW

2.1 General Perception

Literature on the perceptions of MSE Sector and its role in development have emerged over time since the early eighties when it was realised that many developing countries in the sub-Saharan Africa and South East Asia were under siege from financial crises and the adjustment policies that followed. These adjustments worsened the ability of both modern private and public sectors to generate employment and increase incomes to levels which could sustain desirable socio-economic development. Furthermore, this situation brought about a change in the direction of thinking and attitudes of policy makers and planners towards the informal sector hitherto considered marginal and destined to disappear. The perception which developed in the 1980s was clearly noted by De Soto (1989) who observed that adjustment policies and cessation of investment in the public sector brought an about-turn in attitudes towards MSEs. Thus in the 1980s the literature which emerged following the realisation of possible negative effect of structural adjustments on the performance of the modern sectors, on the one hand, and the capacity of MSE's on the other, tended, in general, to concur that MSEs development could be an alternative way of approaching tasks of development in an era of structural development and attendant socio-economic reforms. However, subsequent literature tended to be more emphatic about the importance of MSEs in developing the economy and articulated the views that support strategies on the growth of MSEs. These strategies perceive MSEs as offering the best alternative to economic growth including industrialisation of most developing countries. In support of this view, Daniels et al. (1995) argued that this is because most of these countries have limited resources especially during the recession and on-going structural adjustment programmes. This position has been strengthened by critics of large scale industries who have argued that these types of industries do not deliver

either as engines of growth or as providers of employment, even though they already receive enormous support through general trade, finance, tax policy and other direct and indirect initiatives (Sebstad et al. 1995). It is against this backdrop that a number of MSE enthusiasts have expressed a positive position on the desirability of MSE related investments. In particular they have stressed that:

- The MSEs are a seedbed for indigenous entrepreneurship;
- They mobilise capital which could not otherwise be generated;
- They are labour intensive employing more labour per unit of capital than large industries;
- They enhance indigenous technology and learning of new and appropriate technology;
- They contribute to decentralisation of industry;
- They further competition beyond protective barriers;
- They use predominantly local resources and thus have low foreign exchange requirements; and
- They cater for the basic needs of the poor and contribute to a more equitable distribution of income and wealth (Sebstad et al. 1995).

Yet another body of literature focused mainly on the definition of the MSEs. MSEs had been defined variously. The most consistent definition which has emerged is that given by Fisseha and McPherson (1991). They define MSEs as small, informally organised, non-agricultural businesses the majority of which only employ one person, being the owner-operator, or include unpaid family workers, while others may have one or several hired employees. The boundaries between MSEs and larger enterprises are usually established in terms of employment: *micro* enterprises are those having ten or fewer employees including the owner-operator and family members, while *small* enterprises may have up to 50 workers (see Ashe 1985, Parker and Torres 1993).

2.2 Perception of the Kenyan MSE Sector

In Kenya, the first study on micro and small enterprises was undertaken by the International Labour Organisation. Together with local experts, especially from IDS, University of Nairobi, the mission sought to examine the factors explaining the high level of unemployment and general underdevelopment. The ILO report on Employment Incomes and Equality in Kenya (ILO, 1972) has since been hailed as having broken the ground in providing concrete justification for the development of the Micro and Small Enterprise Sector. Subsequent publications have widely acknowledged the importance of MSEs and argued that they are a source of income and employment for poor households in Kenya.

A more enlightening study was the first national baseline survey on MSEs conducted by Parker and Torres (1993). It was then that the magnitude of the MSE sector and its contribution to employment and income generation was quantified. Perhaps the most important aspect was the observation that Kenya had over 900,000 MSEs employing nearly 2 million people. This study was used by the government to justify claims, and therefore take credit, that the economy was generating hundreds of thousands of new jobs. Most critics, nonetheless, thought that the government's claim was exaggerated, arguing that most of the jobs, including the income generated, were neither durable nor sustainable (Daniels et. al. 1995).

2.3 Policy Issues Pertaining to MSEs

The government's position on the salient role of the MSE sector is articulated in various policy documents. Kenya's blueprint to the year 2000 recognised the sector by declaring that, "indeed a large measure of Kenya's industrialisation will be carried by small industries" (Kenya, 1986). At this juncture no specific strategies were spelt out except that "given the nature of small enterprise activities, the primary thrust in stimulating their growth must come from macro-economic policies aimed at the economy as a whole, (Kenya, 1986). The suggested policies included: (i) increased farm productivity and income to stimulate the demand for goods and services provided by the small scale sector, (ii) reducing tariffs on raw materials, semi-processed goods and intermediate inputs, especially those used widely by small scale manufacturers and, (iii) constructing investment incentive structures to encourage the substitution of labour for capital, intended to assist small scale activities that are characteristically labour intensive.

However, more specific strategies and programs for the small firms were expounded by the 1989/93 Development Plan (Kenya, 1988). These include: (i) developing an award scheme to promote innovation and invention through small and medium scale enterprises, (ii) availing information and knowledge, (iii) examining the legal machinery governing small firms by reviewing by-laws and regulations inhibiting development of such enterprises, and the improved accessibility of suitable financial and marketing infrastructure and (iv) restructuring of supportive public and private sector efforts in training, advising and counselling.

The Sessional Paper No. 2 of 1992 on Small Enterprise and Jua Kali Development in Kenya (Kenya, 1992) is also an important and relevant document. This policy document is the blue print for MSEs development

in Kenya. It was based on the work of a special task force established by the government in 1987 to review all policies with a view to promoting the sector and creating an enabling legal and regulatory climate by eliminating existing constraints. The paper deals with the provision of finance through the Jua Kali Fund in the Ministry of Technical Training and Applied Technology for the construction of sheds to accommodate artisan workshops located in rural areas and availing of industrial and commercial land to small enterprises to construct and install their own facilities. These facilities were to be provided on the basis of needs assessment conducted at district level on the actual and priorities requirements of infrastructure for MSEs. Other parts of the paper address policy, credit and gender needs.

The Sessional Paper No. 1 of 1994 on Recovery and Sustainable Development to the Year 2010 (Kenya, 1994) is another important document. With respect to MSEs, it notes that “most are service oriented enterprises, the success of which depends upon their having a convenient location relative to their potential consumers”. The policy paper posits that land near commercial centres of Kenya’s secondary towns and cities will continue to be made available to MSEs.

Strategies for investment promotion advanced by the policy document include:

- New serviced industrial parks capable of accommodating 1,000 industries will be established in growth centres to address the limitations imposed by the shortage of industrial infrastructure.
- New industrial estates capable of accommodating 50-200 medium scale industries will be constructed in key industrial areas.

In the various National Development Plans (1989-93; 1994-96 and 1997-2001), the government acknowledges that the sector offers unmatched potential as a source of new jobs for the expanding labour force and for filling the so-called "missing middle" in Kenya. It also reiterates commitment to MSEs and identifies various strategies for implementation.

These government proclamations, policies and plans have been criticised variously and justifiably. The most consistent critique, nonetheless, is that by Maitha et al (1997), who conclude that the frameworks are too general and unimplementable. Besides, these frameworks are hardly followed by budgetary allocations nor the institutions to implement them, thereby rendering them mere rhetoric.

The important role of MSEs notwithstanding, past research has shown that this sector is dogged by low market demand and lack of access to inputs and working capital (Parker and Torres, 1993). Other constraints include: lack of work site security; limited access to infrastructure; low skill levels and poor management practice; inadequate training and exposure; inability to source information on relevant technology and marketing opportunities; and inadequate access to professional assistance such as banking, insurance and legal services (Ondiege and Dondo, 1995).

2.4 Emerging Issues on MSEs

The ILO/UNDP/GOK (1988) project categorises the MSEs constraints into three broad categories:

- An unfavourable and frequently hostile environment which is caused by entirely poor access to urban infrastructure and land tenure.

- Insufficient availability of institutional credit.
- The low level of managerial and technical skill in the sector.

In short, what emerges from this body of literature is that aid for small enterprise development is justified by the importance of MSEs, on the one hand, and on the other, the specific disabilities and constraints suffered by the sector -- both of these arising from capital, policy, market and information failures and from inappropriate laws and regulations. The effectiveness depends on fruitful policy dialogue and effective, low cost outreach through local intermediaries including NGOs which are closer to target groups, and therefore more effective aid deliverers than government, (ODA, 1995; Ondiege and Dondo 1995).

In cognisance of the foregoing, a lot of energy has been exerted and finances disbursed towards the development and nurturance of entrepreneurial activities through non governmental organisations in conjunction with international donors. These interventions can be divided into four categories, namely: financial, social, marketing and enterprise development. However, to the extent that our focus in this paper is limited to business development services, we shall only deal with literature on marketing and enterprise interventions and tangentially with social interventions.

2.5 Business Service Interventions

2.5.1 Marketing Interventions

Available literature (Morrisson et al. 1994 and ODA 1995) define marketing interventions as those that expand market opportunities for enterprises. The approaches include programs and projects that either open up opportunities for enterprises along the supply and marketing chain in a subsector in which they currently operate and/or link enterprises to new

subsectors with potential for growth. Market intervention strategies contribute to change by improving access to, or reducing, the price of inputs (capital, labour, tools, technology, equipment, raw materials or stock), improving the demand for, or increasing the price of enterprise outputs and creating new options and opportunities for economic participation by the poor and other restricted groups such as women.

2.5.2. Training Interventions

Training interventions include programmes and projects to improve production and managerial processes within enterprises such as management training and assistance to improve business skills and management practices. These include entrepreneurship training, business planning, loan proposal formulation, business counselling, record keeping, cash management, use of bank accounts and debt management. These are aimed at strengthening technical and management skills and capacity within enterprises (Fisseha and McPherson, 1991). Effective training helps reduce costs and improve production processes by promoting more efficient use of resources.

2.5.3. Technology Interventions

Technology interventions entail designing, developing and promoting new equipment, tools, products and processes in enterprises. These help to improve productivity and profitability by lowering costs through faster production, reduced labour time, substitution of cheaper materials, lower fuel costs, increased efficiency, lower labour costs, and improved selection and organization of equipment, tools and labour (Morrison et al. 1994). They also increase product outputs and shelf life, product quality, consistency and reliability and make the enterprise more bank able and, therefore, sustainable. This aspect of BDS is exhaustively dealt with in a different report for BDS Technology-Based Projects.

2.5.4. Social Interventions

Social interventions are strategies that entail special efforts to integrate poor men and women into formal financial markets, product markets and services that enhance access to resources, skills and opportunities to improve their well being and productivity (De Soto, 1989). Group organising is a primary vehicle for social intervention. Through groups, members are organised and linked to formal institutions, usually financial or business development services. Groups are also vehicles through which social capital is developed as group members bond to become a source of mutual support to one another (Larance 1998).

2.6 Target Beneficiaries and Anticipated Benefits

The goal of private sector intermediaries (PSI) funded by DFID is to enable poorer members of society both in urban and rural areas, especially women, to improve their incomes, increase their assets and reduce their vulnerability. This is to be achieved, at purpose level, by enabling individuals through their own efforts to gain more access to income earning opportunities. This, in turn, is to be achieved at the output level by assisting in creating effective and sustainable institutions and instruments for micro and small enterprise development within a dynamic private sector (ODA, 1993, ODA, 1995).

3.0 GENERAL FINDINGS

3.1 Preamble

As earlier mentioned, the purpose of this benchmark survey was to gather and analyse information on the profiles of the projects/organisations providing BDS-information based services. These services included: business training, counselling, marketing information, sign posting and linkages, and general advisory and business support services. In addition, the study sought to compile data on the socio-economic, demographic and entrepreneurial profiles of the beneficiaries.

3.2 Diversity and Project Foci

In general, it was found that the projects offering BDS information based services differed in terms of their structures as well as the clientele served. The larger the project (e.g. K-MAP), the wider the coverage and the clearer the clients were about the nature of the services rendered. The projects employed both males and females, but there was a preponderance of the former. Most of the projects had started operations in a limited geographical area and had extended to other parts of the country depending on service demand and outreach plans. The focus on women in nearly all the projects was quite conspicuous, with some of them, e.g. GSI, having 100% female coverage. This focus is explained by DFID-BASE requirement for poverty alleviation through MSE activities, especially among women. Furthermore, the relatively higher percentage of women in MSEs (Daniels et al. 1995) may ably explain why these organisations targeted females.

3.3 Suitability of Organisational Structures

Although some of the projects, e.g. SEDECO and TF Express, had very localised operations, the team found that all the projects had well developed management structures capable of offering the services in question and strengthening both organisational and clientele capacity. This was clearly evidenced by the way in which the projects had changed their objectives as dictated by the demands of the enterprises as well as resource availability. Further, it was found that projects were ready to recruit qualified and experienced professional staff to deliver upcoming products. Indeed, the readiness of the projects to experiment with new BDS products cannot be overemphasized.

3.4 An Overview of Client/Beneficiary Profiles

The projects studied served middle aged entrepreneurs in their 30s and 40s. For institutional clients, they were organisations with immense experience in service delivery and focusing on long operating enterprises. The promise of impact is thus undoubted. Furthermore, these beneficiaries were fairly well educated and had received extra training of a business and vocational nature. This implies that they had upgraded their formal education skills with appropriate knowledge, hence becoming improved business people. One would therefore expect them to survive better than they would have done had they only attained basic formal education. Many of the beneficiaries had been in business for over 5 years, but the majority were in their current enterprises for 2-3 years, meaning that there was evidence of either business change or diversification. While this may not be economically viable, it exemplifies the dynamism of the beneficiaries as well as their response to possible pushes from the domestic environments.

With regard to the latter, it emerged that nearly all the beneficiaries were married family people from households with over 4 members and that they were supporting several school-going children mainly from the enterprises. This finding shows that the clients had a burden to bear and that the incomes they earned were in great demand at home. The measuring of the impact of DFID interventions on these clients at the household level is therefore bound to yield quite interesting results.

On wealth status, some projects, e.g. SAMED, KEPP, SEDECO and GSI, had poor clients as opposed to projects such as K-MAP and SEAS, which targeted the middle income groups. It is clear that different classes will access project benefits differently. Caution should thus be exercised in tracking down the impact so that the relatively well off beneficiaries can be studied in terms of how far their operations are leading to a trickle down of income and employment. In so doing, it will be important to understand the basis of targeting each category in order to see how each fits within DFID-BASE focus on poverty alleviation.

3.5 Lessons Learnt

The team learnt three main lessons from the field experiences:

1. Projects offering BDS information services are extremely diverse in size, organisation, target population, and methods used. Sampling, data collection, and data analysis, therefore, need to be adapted to the uniqueness of each project.
2. Projects whose relations with the donors are strained may be unwilling to cooperate with the researchers. This needs to be taken into account in planning future studies.
3. This type of study offers researchers and project staff many opportunities to learn from one another.

This section summarizes the findings of individual projects collected under BIS Information-based projects. As should be pointed out, the projects studied were heterogeneous. This is reflected in the uncertainty in project descriptions, varying data presentation formats and non-uniform discussion procedures.

4.6 BUSINESS TRAINING AND COUNSELLING PROJECTS

The subject of the following organizations:

- K-MAP
- SAMED
- TEAS, and
- Trans-Home Industries Ltd.

All the four organizations were involved in business training and counselling projects in Kenya. The following section describes the projects in detail.

PART II : PROJECT DESCRIPTIONS

The main difference among these organizations lies in their ownership status, whereas K-MAP and SAMED is privately owned limited liability company while TEAS is managed by its Board of directors. Trans-Home Industries is an NGO based in Mombasa. By the time of the baseline study, the long standing and well established firm by Kenya Wildlife Service Trust (KWST).

While some projects have a national coverage, others are focused on particular locations with no branch offices elsewhere in that country. There is evidence, also, that most of these contractors have benefited from international donor funding. The major findings for each project are presented below.

With regard to the latter, it emerged that nearly all the beneficiaries were married family people from households with over 4 members and that they were supporting several school-going children in primary or secondary schools. This finding shows that the clients had a burden to bear and that the incomes they earned were in great demand at home. The targeting of the impact of DFID interventions on these clients at the household level is therefore bound to yield some interesting results.

On wealth status, some projects, e.g. SAMEX, KEPP, SEDDO and OSI, had poor clients as opposed to projects such as K-MAP and SEAS, which targeted the middle income groups. It is clear that different clients will access project benefits differently. Caution should thus be exercised in tracking down the impact of the relatively well-off beneficiaries which a lot of social entrepreneurs tend not to want to be part of. It is important to understand the basis of targeting each category in order to see how well it works within DFID-BASE focus on poverty alleviation.

3.5. Lesson Learnt

- The lesson learnt here which emerges from the field experience is as follows:
1. Projects offering IDI information services should be well organized in terms of organization, target population, methodology and sampling, data collection, and data analysis, therefore need to be well planned in the implementation of each project.
 2. Projects whose relations with the clients are strained may be unwilling to cooperate with the researchers. This could be resolved through some or in planning future studies.
 3. The type of study affects researchers and project staff since they often tend not to work together.

This section summarizes the findings of individual projects concerned with BDS Information-Based projects. As already pointed out, the projects studied were heterogeneous. This is reflected in the unevenness in project descriptions, varying data presentation formats and non-uniform discussion procedures.

4.0 BUSINESS TRAINING AND COUNSELLING PROJECTS

These consist of the following organisations:

- K-MAP
- SAMED
- SEAS, and
- Tototo Home Industries Ltd.

All the four organizations are involved in business training and counselling services. The major similarity of these organizations is that each has a fairly developed organizational framework with headquarters in Mombasa and/or Nairobi.

The main difference among these organizations lies in their ownership. Thus, whereas K-MAP is an NGO, SAMED is a privately owned limited liability company while SEAS is managed by the British Council. Tototo Home Industries is an NGO based in Mombasa. By the time of the baseline, Tototo was being wound up and its clients taken over by Kenya Women Finance Trust (KWFT).

While some projects have a national coverage, others are focused on particular localities with no branch offices elsewhere in the country. There is evidence, also, that most of these enterprises have benefited from substantial donor funding. The major findings for each project are presented below.

4.1 K-MAP

K-MAP is a Kenyan NGO and one of the leading organisations for management training and counselling for large and small businesses. It was established in 1987 by Victor Pratt and the big business community in Kenya who wished to contribute skills and experiences to assist in the development of Kenyan MSE entrepreneurs. K-MAP now has a membership of 170 large companies which contribute cash in form of membership fees and expertise in form of counsellors and trainers from among their employees. It publishes a bi-monthly business magazine with a circulation of over 5,000.

K-MAP was established to:

- Establish a viable program of business growth training for owner-managers;
- Assist clients start and develop their businesses and in crease employment;
- Increase the number of women in business as well as enhance their competence and therefore, performance; and
- Strengthen the organisational capacity of up-and-coming businesses to manage their programs.

4.1.1. K-MAP Management and Geographical Location

K-MAP has 12 full-time employees and its only two branch offices namely, Mombasa and Eldoret, have a skeleton staff. Although it was established with a national status, its activities are concentrated in Nairobi and its environs. The Eldoret office is intended to serve the Rift Valley, Western and Nyanza Provinces.

4.1.2 K-MAP Target Beneficiaries

K-MAP caters for the start-up, survival and growth of businesses owned and managed by people with executive-level sector experience. This is so because experience from the developed economies suggests that it is these businesses and entrepreneurs who have the greatest potential for growth into medium and large businesses, which may therefore fill the so-called “missing middle” in Kenya.

4.1.3. Gender Issues

K-MAP has specific programmes aimed at enhancing the participation of women entrepreneurs and youth. This is achieved through:

- Increasing their personal skills and confidence so as to better equip them for business.
- Familiarising them with basic business operations and procedures such as banking, registration and taxation.

4.1.4 Profile of Beneficiaries

One of the objectives of the benchmark survey is to provide profiles of beneficiaries. The areas of focus were: demographic and socio-economic characteristics, structure and diversity of business activities and beneficiaries views on project performance including suggestions for their improvement. K-MAP beneficiaries come from all corners of the country. They are trained and counselled at a fee in their respective areas of business. Due to the varied types of business activities for which training and counselling is provided, K-MAP maintains a network of voluntary advisers and trainers.

4.1.5 Demographic Characteristics of Beneficiaries

Data in Table 1 shows that most of K-MAP beneficiaries were in the 31-40 age bracket, which accounted for 66.7% of the respondents. A greater percentage (55.6) of the beneficiaries were females, which was consistent with K-MAP's objective of enhancing the participation of women entrepreneurs in MSE activities.

Most of the beneficiaries (75.0%) were married, probably indicating that entry to business is due to household needs. On ethnicity, it was found that Asians/Arabs had the highest representation (41.7%). This could be explained by the concentration of K-MAP's activities among the medium enterprises, which are mainly owned by Asians. The beneficiaries' household sizes varied from 0 to 6 with the majority (50.0%) having 4-6 members.

Table 1: Demographic Characteristics of K-MAP Beneficiaries

Characteristic	Respondents (n=36)	
	Frequency	Percentage
<u>Age</u>		
20-30	4	11.1
31-40	24	66.7
Over 40	8	22.2
<u>Sex</u>		
Male	10	44.4
Female	20	55.6
<u>Marital Status</u>		
Married	27	75.0
Single	7	19.4
Widowed/Divorced	2	5.6
<u>Ethnicity</u>		
Luo/Luhya	6	16.7
Miji Kenda/Kamba	6	16.7
Kikuyu/Embu	9	25.0
Arabs/Asians	15	41.7
<u>Household Size</u>		
0-3	11	30.6
4-6	18	50.0
7 and above	7	19.4

Source: Field Data

4.1.6 Socio-Economic Characteristics of K-MAP Beneficiaries

Table 2 shows that most of the beneficiaries (97.2%) were Christians. On education, most beneficiaries (52.8) had reached the tertiary level followed by secondary level (44.4%). Majority of the beneficiaries (66.7%) had various types of professional training. Data on the training institutions indicated that 52.8% attended diploma/certificate colleges, while 30.6 were trained by NGOs. On duration of training, it was found that 41.7% of the respondents had spent one year in training, as compared with 27.8% who had been trained for two years.

Table 2: Socio-economic Characteristics of K-MAP Beneficiaries

Characteristic	Respondents (n= 36)	
	Frequency	Percentage
<u>Religion</u>		
Christians	35	97.2
Muslims	1	2.8
<u>Education</u>		
Primary	1	2.8
Secondary	16	44.4
Tertiary	19	52.8
<u>Type of Training</u>		
Professional	24	66.7
Business Management	9	25.0
Technical Informal	3	8.3
<u>Training Institution</u>		
Diploma/Certificate College	19	52.8
University	6	16.7
NGO	11	30.6
<u>Duration of Training (Years)</u>		
One	15	41.7
Two	10	27.8
Three	8	22.2
Four	3	8.3
<u>Household Education**</u>		
Primary Education	22	61.1
Secondary	19	52.8
Post-Secondary	29	80.6
<u>Wealth Status (Owning Land)</u>		
No Land	16	44.4
1-2 acres	3	8.3
3-4 acres	4	11.1
Over 4 acres	13	36.1
<u>Crops Cultivated</u>		
None	22	61.1
Cash crops	10	27.8
Food Crops	4	11.1
<u>Livestock Ownership</u>		
None	16	44.4
Owns Livestock	20	55.6
<u>Income per year (K sh.)</u>		
0-10,000	3	8.3
10,000-50,000	5	13.9
50,001-200,000	10	27.8
Over 200,000	18	50.0
<u>Supplementary Income (Source)</u>		
No supplementary income	18	50.0
Spouse	17	47.2
Children and other sources	1	2.7
<u>Housing Status</u>		
Own permanent building	16	44.4
Rental housing	2	5.6
Other types	18	50.0

Source: Field Data **Data pertaining to household education are not mutually exclusive. 30

Data on the household education showed that most of the beneficiaries had their children attending various levels of education. Over half (61.1%) had children in primary schools, 52.8% of the households had secondary school children, and 80.6% had household members in post-secondary programme. This shows some level of dependency on the beneficiaries, which is likely to put constraints on the profit margins of the enterprises in question. The latter may in addition reduce the possibility of the entrepreneurs to re-invest their earnings as well as expand their enterprises.

On wealth status, it was found that 44.4% of the beneficiaries had no land. This meant that their enterprises were the main sources of livelihood. The rest of the beneficiaries had land of varying sizes, with 36.1% owning over 4 acres. Of those with land, 27.8% cultivated cash crops, as opposed to 11.1% who cultivated food crops. Over half (55.6%) of the respondents had livestock. These findings indicate that few entrepreneurs strived to supplement incomes from their businesses. This observation appears to concur with the finding that 50.0% of the beneficiaries had no supplementary income sources. In fact, it also emerged that many respondents (47.2%) were dependent on spousal remittances.

Data on incomes per year showed that 50.0% of the respondents had over Ksh.200,000. This income is slightly low considering the difficult economic situation facing entrepreneurs and the country as well as the high dependency ratio, especially from school-going children. The situation of low income fits well with the finding that 44.4% of the respondents lived in decent housing, while the rest lived in semi-permanent houses, most of which were rented.

4.1.7 K-MAP Business Structure and Diversity of Activities

Data in Table 3 shows that 69.4% of the K-MAP beneficiaries were involved in trading, while the rest were either in artisan work or farming. On business experience, it was found that 55.6% of the respondents had been in business for 1-5 years, while 30.6% had operated businesses for 6-10 years. The rest had been in business for longer periods.

Most of the respondents (58.3%) employed three or more people in their businesses, while 27.8% had 0-1 employees. This clearly shows that the businesses had not only created self employment for the owner-managers, but also enhanced employment opportunities for other people. Most of the employees (61.1%) were males.

Data on DFID assistance indicated that the entrepreneurs received assistance in the form of advisory services, training, marketing, information dissemination and business support. Of all these types, training had been received by the majority (80.6%), followed by advisory services (63.9%). From the findings, it was clear that beneficiaries received multiple types of services from the DFID project in K-MAP. It was also found that most of these beneficiaries (77.8%) did not receive any other assistance, implying that they relied entirely on K-MAP for BDS. The rest (22.2%) had received support in the form of information, training and finance from other sources. It was also found that most enterprises (47.2% and 25.0%) had been in operation for 2 and 3 years respectively.

Most of the respondents (38.9%) learned about the DFID/K-MAP assistance through project agents, while 36.1% had heard of this support in media advertisements. Others had been informed by their friends and group networks. The bulk of the entrepreneurs (66.7%), however, became DFID/K-MAP beneficiaries through registration/training.

Table 3: K-MAP Business Structure and Diversity of Activities

Characteristic	Respondents (n=36)	
	Frequency	Percentage
<u>Business Activity</u>		
Trading	25	69.4
Artisan	6	16.7
Farming	5	13.9
<u>Business experience (years)</u>		
1-5	20	55.6
6-10	11	30.6
Over 10	5	13.9
<u>Number of employees</u>		
0-1	10	27.8
2	5	13.9
3 plus	21	58.3
<u>Sex of Employees</u>		
Male	22	61.1
Female	14	38.9
<u>DFID Assistance*</u>		
Financial	1	2.8
Advisory	23	63.9
Training	29	80.6
Marketing	3	8.3
Information services	1	2.8
Business support	8	22.2
<u>Non-DFID Support</u>		
None	28	77.8
Some assistance	8	22.2
<u>Business life (years)</u>		
One	7	19.4
Two	17	47.2
Three	9	25.0
Four	3	8.3
<u>Source of Information on Project</u>		
Project agents	9	25.0
Advertisement	14	38.9
Friends and group networks	13	36.1
<u>Becoming a beneficiary</u>		
Registration/Training	24	67.7
Group membership	8	22.2
Attraction by product	4	11.1

Source: Field data

* Data on DFID assistance is not mutually exclusive.

4.1.8 *K-MAP Beneficiaries' Views and Suggestions*

All the beneficiaries were of the view that the DFID project had good training and advisory services. Generally they had the following suggestions:

- More awareness should be created and DFID support continued;
- Amounts of loans disbursed should be increased;
- Marketing facilities should be improved and exchange programmes organized;
- There should be consistency in provision of resource personnel; and
- Training charges should be reduced.

4.1.9 *Conclusions and Implications*

K-MAP's clients in the business training and counselling project were young, married and educated. In line with the gender bias of the DFID-BASE goal, women were well represented among the owner-managers, but men were the majority of employees.

The business growth programme has been extended beyond Nairobi to include other areas such as Mombasa and Eldoret. Most of the targeted beneficiaries are, however, not the very poor. It is hoped that the benefits of the project should eventually trickle down to the very poor. In this way, the goal of poverty alleviation will have been achieved.

4.1.10 Recommendations

The project needs to develop criteria of reaching the very poor, especially in terms of the charges levied for the various training sessions. For monitoring and evaluation, REME could benefit from the efficient system of information in K-MAP by keeping abreast of K-MAP activities.

4.2. SAMED

SAMED was established in 1995 as a privately owned limited liability company registered under the Companies Act to promote and support the development of small and micro-enterprises in the formal and informal sectors of East Africa. It offers a wide range of services such as promotional activities, entrepreneurship training, business planning, loan proposal formulation, business counselling and extension services, management training and business clinics. It collaborates with other organisations, mostly NGOs, to offer skills upgrading and product design programmes. SAMED has developed successful training of trainers (TOT) modules for facilitators, extension workers, credit officers and services the government and NGOs on consultancy basis. It was established with three principle objectives, namely to:

- Equip small entrepreneurs and the informal sector operators with sound business and credit management skills;
- Develop the growth potential of new small businesses in a competitive (liberalised) market environment;
- Reach the identified target sectors through collaboration with NGOs, financial institutions, banks and government organisations and agencies involved in the promotion and support of small scale enterprises.

4.2.1 Management and Geographical Location

SAMED has a total of 17 full-time staff, 2 management staff (1 male and 1 female), 11 technical staff (8 males and 3 females), and four support staff (3 males and 1 female). Although it was mandated to cover the entire country, SAMED is one of the projects which has not widely spread countrywide as projected. It has an office only in Nairobi. However, it plans to expand to new areas in the future.

4.2.2 Target Beneficiaries

SAMED caters for entrepreneurs involved in off-farm business activities, with special emphasis on providing business support services in the areas of training and counselling for both men and women. Women entrepreneurs are given special attention.

4.2.3 Profile of Beneficiaries

The focus for beneficiary profiles were demographic and socio-economic characteristics of SAMED's clients benefitting from the SDA Training Project. This project was designed to develop the capacity of 400 Social Development Advisers (SDAs) in Kenya to provide effective business training and counselling to the communities they serve (ODA, 1996).

4.2.4 Demographic Characteristics of SAMED Beneficiaries

Table 4 shows that 41.7% of the SAMED beneficiaries were over 40 years, while the rest were relatively young. It implies that the project tried reaching both young and middle aged people. Majority of the respondents (52.1%) were females, which is in line with the project's aim of promoting women's participation in entrepreneurship. On marital status, most

of the respondents (77.1%) were married. The ethnic membership were mainly Kikuyu and Luo, who accounted for 54.2% and 35.4%, respectively. This ethnic distribution may have been introduced by the sampling dynamics whereby the residents of the covered districts were predominantly Kikuyu (for Murang'a and Laikipia) and Luo (Kisumu). Data on household size were not collected from the SDA Project beneficiaries.

Table 4: Demographic Characteristics of SAMED SDA Project Beneficiaries

Characteristic	Respondents (n=48)	
	Frequency	Percentage
<u>Age</u>		
20-30	13	27.1
31-40	15	31.3
over 40	20	41.7
<u>Sex</u>		
Male	23	47.9
Female	25	52.1
<u>Marital Status</u>		
Married	37	77.1
Single	5	10.4
Widowed/divorced	6	12.5
<u>Ethnicity</u>		
Luo	17	35.4
Luhya	1	2.1
Kikuyu	26	54.2
No Response	4	8.3

4.2.6 Socio-Economic Characteristics of SAMED Beneficiaries

Data on Table 5 show that 97.9% of the respondents were Christians. Most of the beneficiaries (56.3%) had attained secondary school education, while 31.3% had primary education. Training in business management had been received by 54.2%. A greater proportion (58.3%) had been trained through seminars and by NGOs. This finding is in line with SAMED's goal of collaborating with other institutions to MSEs. It was also found that most of the training received had lasted one year.

With regard to household education, all the households had children attending various institutions of learning, making it plain that the respondents have many dependants who have to be taken care of probably using income from the business. On wealth status, it was found that 50.0% of the beneficiaries had 1-2 acres of land, while some 22.9% had over 4 acres. A substantial number (18.8%) had no land. Cumulatively, it emerged that 68.8% of the beneficiaries had very little or no land. Entry into business may thus be seen as an option in the struggle to survive. Contrary to the situation on land ownership, it was found that majority (64.6%) kept some livestock, mainly cows, goats, sheep, pigs and chicken. This finding is a true reflection of the situation in most rural households in Kenya, where keeping some livestock is a common feature whether or not one has land.

It was found that SAMED's SDA Project clients were poor as evidenced by the maximum income which was Ksh.50,000 per annum as reported by 72.9% of the respondents. Yet majority of these people (81.3%) had no supplementary income sources. Those with supplementary income had it from their spouses. Data on housing indicates that a substantial number (37.5%) owned permanent housing, while 35.4% lived in rented houses.

Table 5: Socio-Economic Characteristics of Beneficiaries

Characteristic	Respondents (n=48)	
	Frequency	Percentage
Religion		
Christian	47	97.9
Muslim	1	2.1
Education		
None (No formal)	5	10.4
Primary	15	31.3
Secondary	27	56.3
Tertiary	1	2.1
Type of Training		
None	1	2.1
Professional	9	18.8
Business management	26	54.2
Technical/informal	12	25.0
Training Institution		
Diploma/certificate	12	25.0
Informal	8	16.7
Seminar/NGO	28	58.3
Duration of Training (years)		
One	31	64.6
Two	7	14.6
Three	7	14.6
Four	3	6.3
Household Education*		
Primary	48	100.0
Secondary	48	100.0
Tertiary	48	100.0
Wealth status (Owning land)		
None	9	18.8
1-2 acres	24	50.0
3-4 acres	4	8.3
Over 4 acres	11	22.9
Livestock Owned		
None	17	35.4
Own	31	64.6
Income per year (ksh.)		
0-10,000		
10,000-50,000	19	39.6
50,001-200,000	16	33.3
Over 200,000	6	12.5
	7	14.6
Supplementary Income (Source)		
None	39	81.3
Spouse	8	16.7
Others	1	2.1
Housing Status		
Own permanent building	18	37.5
Rented	17	35.4
Other types	13	27.1

Source : Field data **Data pertaining to household education not mutually exclusive

4.2.7 *SAMED Business Structure and Diversity of Activities*

Table 6 shows that the project's beneficiaries were mainly involved in trading (68.8%), with the majority of them (91.1%) having business experience of less than one year. On the issue of employment, most respondents (77.1%) had male workers, probably due to preference for male employees.

Data on DFID assistance indicated that the respondents had benefitted from multiple services, mainly training (93.8%) and advisory services (72.9%). This DFID support, through the SDAs trained by SAMED, was in the form of sign posting, business linkages, marketing, information and business support. SAMED's SDA project was mainly aimed at delivering a basic Training of Trainers (TOT) course in business establishment skills to SDAs working under the local authorities. The trained SDAs were supposed to liaise with the MHANHCSS in order to disseminate the package to the local people. Majority of the respondents (66.7%) had not benefitted from any other support. The rest (33.3%) had received financial support from other sources. We note that SAMED does not offer financial services.

With regard to business life, most of the respondents (64.6%) had been in business for two years, while a substantial number (27.1%) had only operated their businesses for one year. This implies that SAMED appears to *have attracted new and upcoming entrepreneurs*. Information on the project had been received mainly through advertisements (47.9%) and project staff/agents (37.5%). Information on the project was also obtained from friends and group networks. Membership to groups appears to have made many beneficiaries (52.1%) access SAMED, with the rest (47.9%) having to register as members for training sessions.

Table 6: SAMED Business Structure and Diversity of Activities

Characteristic	Respondents (n=48)	
	Frequency	Percentage
<u>Business activity</u>		
Trading	33	68.8
Artisan	7	14.6
Farming	8	16.7
<u>Business experience (Years)</u>		
Less than 1	44	91.7
1-5	3	6.3
Over 5	1	2.1
<u>Sex of employees</u>		
Male	37	77.1
Female	11	22.9
<u>DFID assistance*</u>		
Training	45	93.8
Advisory	35	72.9
Marketing	14	29.2
Sign posting & linkages	12	25.0
Business support	3	6.3
Technology	3	6.3
Information services	1	2.1
<u>Non-DFID support (sources)</u>		
None	32	66.7
Some support	16	33.3
<u>Business life (years)</u>		
One	13	27.1
Two	31	64.6
Three	1	2.1
Four	3	6.3
<u>Information on project (source)</u>		
Advertisement	23	47.9
Project agents	18	37.5
Friends and group networks	7	14.6
<u>Becoming beneficiaries</u>		
Registration/training	23	47.9
Group membership and other	25	52.1

Source: Field data *Data on DFID Assistance not mutually exclusive.

4.2.8 SAMED Beneficiaries' Views on the Project

All the beneficiaries agreed that the project has good advisory and training services. They however suggested that more awareness should be created and more people trained. Further, it would be beneficial for the project to interact with, and involve, the beneficiaries at the grassroots level in order to facilitate the design of more appropriate programmes. Moreover, the beneficiaries would like to see the programme continue and strengthen.

4.2.9 Conclusions and Implications

The SDA Training project implemented by SAMED covered beneficiaries who were mainly women, middle aged and married Christians. The beneficiaries were in the prime years of their life and being fairly well educated, could easily understand the contents of the business training.

In line with the DFID-BASE goal, the beneficiaries were poor as exemplified by the small incomes and limited sources of supplementary income.

It is also notable that at the grassroots level, the project has not fully benefited from "on-the-ground" inputs from the Department of Social Services, MHANHCSS, due to the contractual arrangements between DFID-BASE and SAMED. The latter was supposed to be only an intermediary organization, but ended up taking the centre stage in provision of BDS.

4.2.10 Recommendations

It is recommended that the Ministry (MHANHCSS) should be accorded a much more active role in the project to facilitate a national coverage. The SDAs who are trained to train entrepreneurs should keep clear records of the people they train and their activities.

4.3. SEAS

Small Enterprise Award Scheme (SEAS) was established in 1993 as one of the projects of the British Council. The first phase of this project was implemented over a 3-year period between 1993 - 1996. During this phase, the project aimed at increasing, through training, the organisational capacity of key Kenyan NGOs, non-commercial and small enterprise support organisations to benefit the MSE sector as a whole. During this period, a total of 54 awards were made for study either in Britain, Kenya or a Third World country and about 2,370 people benefitted from SEAS local training programmes. The second phase of the project is on-going, covering the period 1996 - 1999. The project continues to offer training to senior and middle level managers and to technical staff and hopes to intensify networking and information dissemination among MSEs. SEAS was established with two main objectives, namely to:

- Increase the organisational capacity of the NGOs and other voluntary organisations currently working with, and who support, the micro and small enterprise sector in Kenya; and,
- Enhance capacity building by providing strategic management skills for senior and middle level management of MSEs in Kenya, including increased organisational and technical skills, networking and information sharing.

4.3.1 Management and Geographical Location

SEAS as a project is managed by the staff of the British Council, located in Nairobi. The British Council was established in 1947 and manages several other educational and development oriented programmes. It has branch offices in Mombasa and Kisumu.

4.3.2 Profile of Beneficiaries

One of the objectives of the benchmark survey was to provide profiles of beneficiaries. The areas of focus were: demographic and socio-economic characteristics, structure and diversity of business activities and beneficiary views on project performance, including suggestions for improvement. Only data generated from the Nairobi and Mombasa surveys appear in this report because of the problem of misidentification of beneficiaries in Kisumu.

4.3.3 Demographic Characteristics of SEAS Beneficiaries

Data in Table 7 show that the SEAS beneficiaries varied in their ages, with the highest representation of 43.5% for age bracket 31-40. Those over 40 years accounted for 30.4% of the respondents. Thus most SEAS beneficiaries are in the productive years of their lives. Majority of the respondents (73.9%) were males. This appears to reflect the general gender disparity in accessibility to education, given that the SEAS target group consists of highly educated managers and professionals.

The information on marital status indicated that 78.3% were married. In terms of ethnicity, Kisii/Luo accounted for 26%, Kikuyu 39.1%, and Arab/Asian 21.7%. On household size, most beneficiaries (82.6%) had five or fewer members with some 43.5% having zero to three members. This indicates a sizable family to be catered for by respondents.

Table 7: Demographic Characteristics of SEAS Beneficiaries

Characteristic	Respondents (n=23)	
	Frequency	Percentage
<u>Age</u>		
20-30	6	26.1
31-40	10	43.5
Over 40	7	30.5
<u>Sex</u>		
Male	17	78.3
Female	6	21.7
<u>Marital Status</u>		
Married	18	78.3
Single	5	21.7
<u>Ethnicity</u>		
Luo/Kisii	6	26.0
Luhya	1	4.3
Miji kenda/Kamba	2	8.7
Kikuyu	9	39.1
Arab/Asian	5	21.7
<u>Household Size</u>		
0-3	10	43.5
4-5	9	39.1
6 plus	4	17.4

Source: Field data

4.3.4 Socio-economic Characteristics of SEAS Beneficiaries

Table 8 shows that most of the respondents (73.9%) were Christians and that a substantial number (65.2%) had acquired tertiary level of education, while 34.7% had secondary school level of education. On the type of training, 34.8% had training related to MSEs only, while a further 26% had training related to MSEs plus their professional training, and 21.7% had professional training only. This finding agrees with the project objectives, i.e. to improve the capacity of managerial staff in key organisations, for them to better serve MSEs. Those who were trained had attended colleges and seminars both at home and abroad. Such training generally lasted from a few weeks to a few months.

Data on household education show that 38.7% of the beneficiaries had their children in primary, while 22.7% had children in secondary schools. Thus a fairly large percentage of the beneficiaries' children are of school-going age, implying that most beneficiaries were in their mature age with family responsibilities.

On wealth status, 47.8% had no land, probably because they were mainly professionals with off-farm employment. The table further shows that 30.4% of the respondents had 1-2 acres and only 13.0% had more than 5 acres of land. Most of the respondents who had land cultivated food crops. Almost all the respondents (82.6%) earned between Ksh.10,000 and Ksh.200,000 a month (Ksh.120,000 - Ksh.2,400,000 per annum). This shows that SEAS beneficiaries are clearly above-average salary earners. While respondents (74.0%) had no supplementary income sources, 65.2% of them owned permanent buildings, thus lending credence to the fact that majority of the respondents earn above-average income.

Table 8: Socio-economic Characteristics of SEAS Beneficiaries

Characteristic	Respondents (n=23)	
	Frequency	Percentage
<u>Religion</u>		
Christian	17	73.9
Muslim & Other	6	26.1
<u>Education</u>		
Secondary	8	34.7
Tertiary	15	65.2
<u>Type of training</u>		
None	7	30.4
Professional	5	21.7
SME related training	8	34.8
Other & SME related training	3	13.0
	3	13.0
<u>Training Institution</u>		
Not applicable	4	17.4
Home	7	30.4
Abroad	4	17.0
Home/Abroad	8	34.8
<u>Household education</u>		
None	10	13.3
Primary	29	38.7
Secondary	17	22.7
Tertiary	19	25.3
<u>Wealth Status (Owning Land)</u>		
No Land	11	47.8
1-2 acres	7	30.4
3-4 acres	2	8.7
Over 4 acres	3	13.0
<u>Crops cultivated</u>		
None/Not applicable	15	65.2
Cash crops	2	8.7
Food crops	6	26.1
<u>Income per month (ksh.)</u>		
>10,000	2	8.7
10,000-50,000	13	56.5
50,000-200,000	6	26.1
>200,000	2	8.7
<u>Supplementary Income (Source)</u>		
None	17	74.0
Spouse	1	4.3
Others	5	21.7
<u>Housing</u>		
None	8	34.8
Own permanent building	15	65.2

Source: Field data

4.3.5 SEAS Business Structure and Diversity of Activities

The findings in Table 9 show that 60.9% of SEAS beneficiaries had received assistance in training, while 21.7% had benefitted from information services. Other forms of assistance recorded were business support services, technology and sign posting, advisory services and business linkage services. A few of the beneficiaries had received more than one type of service. In addition, most (65.2%) had received no support from non-DFID sources.

The duration of support from DFID/SEAS varied from less than one year to more than four years, with nearly half of the beneficiaries (47.6%) having benefitted for less than 1 year. The beneficiaries had received information about the project mainly from friends, project organisation, employer and advertisements. Thus many of them (69.6%) took the initiative to join the project through application and registration.

4.3.6 Beneficiaries' Views and Suggestions

The beneficiaries were of the opinion that the DFID project was good and beneficial to them. It was specifically pointed out that DFID had good training and advisory services. The beneficiaries advocated for more public awareness, localisation of the training programmes to reduce costs and increase the number of beneficiaries, and improvement of the quality and duration of training services. They also expressed the wish to have the DFID assistance continue.

Table 9: SEAS Business Structure and Diversity of Activities

Characteristic	Respondents (n=23)	
	Frequency	Percentage
<u>DFID Assistance*</u>		
Training	14	60.9
Information Service	5	21.7
Advisory/Information Service	1	4.3
Business Support/Information Service	1	4.3
Technology/Information Service	1	4.3
Business Linkage/Information Service	1	4.3
<u>Non-DFID Support</u>		
None	15	65.2
Some assistance	8	34.8
<u>Duration of DFID Assistance (years)</u>		
<1 year	10	47.6
1-2 years	2	8.7
2-4 years	3	14.3
>4 years	8	34.8
<u>Source of Information on DFID</u>		
Friends	7	30.4
Project Organisation	5	21.7
Employer	4	17.4
Advertisement & Sensitisation	4	17.4
Ministry of Planning & Development	2	8.7
Other	1	4.3
<u>Becoming Beneficiaries</u>		
Application	16	69.6
Selection by Employer	7	30.4

Source: Field Data

*Data on DFID assistance not mutually exclusive.

4.4. Tototo Home Industries

4.4.1. Management and Geographical Location

Tototo Home Industries operated at the coast. Most of the beneficiaries were distributed around Mombasa (89.5%) and Taita-Taveta (10.5%) districts. No beneficiaries were interviewed from the other coastal districts, mainly due to the short time of the survey as well as problems of accessibility. The immigrant tribes formed only 8.9% of the beneficiaries, thus implying that the survey focused on the local/indigenous peoples.

4.4.2 Profile of Tototo Beneficiaries

The profile of beneficiaries served by Tototo pertains to the demographic and socio-economic characteristics, namely; age, sex, marital status, religion, ethnicity, level of education, training skills, household size and composition, wealth status, land use patterns, sources and levels of income.

4.4.3 Demographic Characteristics of Tototo Beneficiaries

Data in Table 10 show that most of the beneficiaries (76.3%) were aged 20-40 years, implying that they were in the productive period of their lives. Majority of the beneficiaries (73.7%) were women. This is not surprising given that the policy on which the project was founded targeted women. It is also clear from the findings that most of the beneficiaries (86.8%) were married, suggesting that the majority were family people and therefore, the enterprises were bound to influence or be influenced by the family.

Table 10: Demographic Characteristics of Tototo Beneficiaries

Characteristic	Respondents (n=38)	
	Frequency	Percentage
<u>Age</u>		
20-30 years	15	39.4
31-40 years	14	36.9
over 40 years	9	23.7
<u>Sex</u>		
Male	10	26.3
Female	28	73.7
<u>Marital Status</u>		
Married	33	86.8
Single	2	5.3
Widowed/Divorced	3	7.9
<u>Ethnicity</u>		
Arab	1	2.6
Chonyi/Digo/Giriama	11	28.9
Kikuyu	2	5.3
Karba	10	26.3
Kipsigis/Luhya	3	7.6
Mkauma/Pokomo/Taita	12	31.6
<u>Household Size</u>		
0-3	9	23.7
4-5	12	31.6
6 plus	17	44.7

Source: Field Data

Table 11: Socio-Economic Characteristics of Tototo Beneficiaries

Characteristic	Respondents (n=38)	
	Frequency	Percentage
Religion		
Christian	21	55.3
Muslim	16	42.1
Hindu	1	2.6
Education		
None	5	13.2
Professional	22	57.9
Business Management	11	28.9
Type of Training		
None	20	52.6
Professional	4	10.5
Business Management	1	2.6
Technical	13	34.2
Training Institution		
None	20	52.6
Diploma/Certificate College	4	10.5
Informal Institution	12	31.6
Seminars/NGOs	2	5.3
Duration of Training (years)		
None	20	52.6
One	11	28.9
Two	4	10.5
Three	3	7.9
Household Education		
Primary	38	100.0
Secondary	38	100.0
Post-Secondary	38	100.0
Wealth Status (Owning Land)		
No land	21	55.3
1-2 acres	3	7.9
3-4 acres	3	7.9
Over 4 acres	11	28.9
Crop Cultivated		
None	23	60.5
Cash Crops	3	7.9
Food Crops	12	31.6
Livestock owned		
None	11	28.9
Income per Year (Ksh.)		
0-10,000	25	65.8
10,001-50,000	9	23.7
50,001-200,000	4	10.5
Supplementary Income		
None	20	52.6
From spouse	18	47.4
Housing Status		
Own permanent building	17	44.8
Rental housing	20	52.6
Other types	1	2.6

Source: Field Data

On ethnicity, it was found that most beneficiaries (63.1%) were indigenous coastal peoples, which is in line with the project philosophy of improving livelihoods for the local population. Household size varied, but the majority (76.3%) had over four members, which is not surprising given the relatively high fertility rates at the coast as well as high dependency ratio.

4.4.4 Socio-Economic Characteristics of Tototo Beneficiaries

Table 11 shows that most of the beneficiaries (55.3%) were Christians while a significant number (42.1%) were Muslims. A good number of beneficiaries (57.9%) had attended primary level education, while 28.9% had secondary education. It is notable that there were some beneficiaries who had no formal education (13.2%). Most of the beneficiaries (52.6%) had not attended additional training, but 34.2% had received technical training mainly in informal institutions, while a few (10.5%) had trained in diploma/certificate colleges.

On household education, it was found that all the beneficiaries had school-going children, which indicates that the incomes from the enterprises are likely to be committed to school-based expenses. Most respondents (55.3%) had no land, with only 28.9% having more than four acres. For those with land, 31.6% cultivated food crops, with only 7.9% having cash crops. This suggests that the beneficiaries relied mainly on their businesses for their livelihoods. Most respondents (71.1%), however, owned some livestock, mainly cows, goats and chicken. The non-ownership of pigs could be attributed to the prohibitions of the Islamic religion as well as the unfavourable hot weather conditions.

It was also found that most beneficiaries (65.8%) earned an annual income of Ksh, 10,000 or less implying that their monthly income was less than Ksh. 1,000. Most of the enterprises were, therefore, small with equally small profit margins. The findings further showed that although most of the beneficiaries (52.6%) had no supplementary incomes, a substantial number (47.4%), had spousal support. Housing status indicated that most beneficiaries (52.6%) resided in rental premises while 44.7% lived in own permanent houses.

4.4.5 Tototo Business Structure and Diversity of Activities

Table 12 shows that trading (50%) was the most common business activity, artisan followed with 36.8%, and farming was the least, with 13.2% of the business activities. Data on business experience showed that 71.0% of the beneficiaries had business experience of over six years. Despite this, looking at the incomes of the various entrepreneurs (majority had less than Ksh. 10,000 per annum), it would appear that these businesses do not grow.

Distribution of beneficiaries by type of business assistance showed that most of them (84.2%) had received financial assistance. This was followed by advisory services which accounted for 55.2%. The most prevalent business assistance extended by DFID-BASE to these industries, therefore, are financial and advisory services. Other types of assistance included information, training and marketing. Reliance on DFID/Tototo services seemed to be quite heavy as exemplified by the finding that 97.4% had no other source of assistance. In fact, most of the beneficiaries (73.7%) had been with the project for 2-3 years, with the majority (81.6%) having learnt of the services in question through their friends. Thus, it also emerged that many respondents (84.2%) became beneficiaries by registering for the project activities.

Table 12: Tototo Business Structure and Diversity of Activities

Characteristic	Respondents (n=25)	
	Frequency	Percentage
<u>Business Activity</u>		
Trading	19	50.0
Artisan	14	36.8
Farming	5	13.2
<u>Business Experience Years</u>		
1-5	11	28.9
6-10	13	34.2
Over 10	14	36.8
<u>Labour Type</u>		
Hired	12	32.4
Family	26	67.6
<u>DFID Assistance*</u>		
Financial	32	84.2
Advisory	21	55.2
Training	1	2.6
Marketing	1	2.6
Information services	8	21.1
Business support	2	5.2
Technology	2	5.3
<u>Non-DFID Support</u>		
None	37	97.4
Some assistance	1	2.6
<u>Duration of DFID Assistance (years)</u>		
One	8	21.1
Two	16	42.1
three	12	31.6
Four	2	5.3
<u>Source of Information</u>		
Friends	31	81.6
Project agents	4	10.5
Advertisements	2	5.3
Group networks	1	2.6
<u>Becoming Beneficiaries</u>		
Registration/training	32	84.2
Group membership	4	10.5
No response	2	5.3

Source: Field Data * Data on DFID support not mutually exclusive.

4.4.6 Tototo Beneficiaries' Views and Suggestions

Majority of the beneficiaries had high regard for the quality of advisory services provided. Specifically, they pointed out at the good credit facility as well as the advisory mechanisms. They would, however, like training intensified and financial assistance expanded. The beneficiaries were of the opinion that DFID support should continue.

5.0 INFORMATION DISSEMINATION AND NETWORKING PROJECTS

Five information dissemination and networking projects were reviewed, namely:

- MSE Information Dissemination,
- Kenya Entrepreneurship Promotion Programme (KEPP)
- K-REP Arifu Documentation Centre
- SEDECO Limited, and
- The Nairobi Stock Exchange (NSE).

Although these projects are involved in information dissemination, their activities were so varied that the standard questionnaire developed for all business development services (BDS) was found to be inappropriate for some. Consequently, more appropriate questions were developed to satisfy specific uniqueness of some of the projects such as Arifu Documentation Centre and NSE.

5.1. MSE Information Dissemination

MSE Information Dissemination project provides technical information to small business owners. At the time of this survey, it was providing information to carpenters and metalworkers in the form of booklets. The main beneficiaries of the project are Jua Kali artisans. This project is not yet developed to the level of having a data-base of known beneficiaries, hence it was not possible to access and gather any data.

5.2. KEPP

KEPP promotes the direct participation of the youth and women involved in viable businesses and facilitates the delivery of non-financial services to them. The beneficiaries of KEPP are, therefore, mainly women and the youth involved in small businesses.

KEPP was founded in 1992 and registered as Kenya Youth Finance and Entrepreneurship Association (KYFEA). Due to the enactment of the 1990 Act of Parliament which requires all development agencies operating in Kenya to register with the NGO co-ordinating bureau of the Office of the President, KYFEA was registered as KEPP in 1993 under the NGO Act.

In 1996, DFID funded KEPP to explore possibilities of developing KEPP's credit link programme initiated by Family Finance Building Society and Triodos Bank of Netherlands. In order to achieve this task, KEPP leased an office in Thika town. Today the credit link programme has expanded but has clients only in Thika District.

The project was initially established mainly to:

- Promote the direct participation of youth and women involved in viable business;
- Facilitate delivery of credit and non-financial services so as to improve their economic, social, cultural and political status within their communities;
- Deliver office services to its clients;
- Facilitate training activities;
- Hold credit awareness workshop for women in the target areas; and
- Facilitate savings mobilisation among its clientele.

With time as KEPP expanded its objectives due to generous donor funding, its mandate expanded and new specific objectives were brought on board, namely to: facilitate an extensive outreach in the project area by recruiting at least three new client groups every month; strengthen existing management information system (MIS) to be able to provide timely, relevant data to management and connect the organisation to Internet and e-mail.

5.2.1 KEPP Management and Geographical Location

The baseline survey data portray KEPP as another project with a developing institutional structure. It has a skeletal management and support staff. Its activities are heavily concentrated in Thika town and its environs. KEPP assists enterprises in all sub-sectors, e.g. food, metal, textile, wood work and services. A total of 25 beneficiaries were purposively selected from the various business types.

5.2.2 Demographic and Socio-Economic Characteristics of KEPP Beneficiaries

Table 13 shows that 56.0% of KEPP beneficiaries were aged between 31-40 years and that majority of the beneficiaries (76.0%) were females. This implies that the project is operating along its intention of reaching women and youthful entrepreneurs. Data on marital status showed that majority of the respondents (72.0%) were married, indicating that their enterprises were vital to their families in terms of financial support.

On ethnicity, the study found that most beneficiaries (80.0%) were Kikuyu, obviously because KEPP's catchment area is predominantly inhabited by the Kikuyu people of Central Province. The beneficiaries' household sizes were high with the majority (56.0%) having 4-5 members. This means that the beneficiaries have a substantial number of dependants.

5.2.3 Socio-Economic Characteristics of KEPP Beneficiaries

Table 14 shows that all the KEPP beneficiaries were Christians and that most of them (84.0%) had secondary school education. The rest (16.0%) had primary education. It was also found that 48.0% of the beneficiaries had technical training, while 28.0% had business management training. On the technical institutions attended, 32.0% had gone to informal ones, while the rest had attended diploma/certificate and seminar/NGO institutions. Majority of these beneficiaries (60.0%) had taken one year in their training.

Table 13: Demographic Characteristics of KEPP Beneficiaries

Characteristic	Respondents (n=25)	
	Frequency	Percentage
<u>Age</u>		
20-30	7	28.0
31-40	14	56.0
Over 40	4	16.0
<u>Sex</u>		
Male	6	24.0
Female	19	76.0
<u>Marital Status</u>		
Married	18	72.0
Single	7	28.0
<u>Ethnicity</u>		
Kikuyu	20	80.0
Muru	2	8.0
Others	3	12.0
<u>Household Size</u>		
0-3	8	32.0
4-5	14	56.0
6 plus	2	8.0
No response	1	4.0

Source: Field Data

The study further found that all the beneficiaries had their household members in school and were, therefore, bound to commit resources towards educational expenses. Data on wealth indicates that, while a substantial number (36.0%) had no land, many (48.0%) respondents had 1-2 acres. Although this land is vital for the survival of the families in question as indicated by the use of the land for food crops (76.0%), it is still clear that many of KEPP's beneficiaries may be relying a lot on their businesses. Livestock were kept by a staggering majority (96.0%).

Annual incomes were low as exemplified by the finding that 72.0% earned up to Ksh. 50,000, which is hardly enough for subsistence given the household size and current inflationary economic situation in the country. Yet majority of the respondents (56.0%) did not have any supplementary income. Unsurprisingly, few respondents (20.0%) had their own permanent buildings and many (44.0%) lived in rented houses.

5.2.4 KEPP Business Structure and Diversity of Activities

Table 15 shows that majority of KEPP beneficiaries (76.0%) were involved in trading. Further, the main DFID support was in the form of finance (cited by 56.0%), training (56.0%) and business support (48.0%). Most respondents (80.0%) relied solely on the DFID/KEPP support as they had no other form of assistance. Many respondents had been beneficiaries for 1-3 years, with the majority (44.0%) having been in the project for 2 years.

Information about DFID support had mainly been obtained through friends (36.0%) and project agents (32.0%). Thus many respondents (48.0%) had also joined the project through group membership, which concurs with the fact that KEPP serves entrepreneurs after they have teamed up in a solid grouping.

Table 14: Socio-Economic Characteristics of KEPP Beneficiaries

Characteristic	Respondents (n=25)	
	Frequency	Percentage
<u>Religion</u>		
Christian	25	100.0
Other	0	0
<u>Education</u>		
Primary	4	16.0
Secondary	21	84.0
<u>Type of Training</u>		
Professional	3	12.0
Business Management	7	28.0
Technical/informal	12	48.0
No response	3	12.0
<u>Training Institutions</u>		
University	1	4.0
Diploma/certificate college	7	28.0
Informal institution	8	32.0
Seminar/NGO	7	28.0
No response	2	8.0
<u>Duration of Training (years)</u>		
One	15	60.0
Two	6	24.0
Three	1	4.0
No response	3	12.0
<u>Household Education</u>		
Primary	25	100.0
Secondary	25	100.0
Post secondary	25	100.0
<u>Wealth Status (Owning Land)</u>		
No Land	9	36.0
1-2 acres	12	48.0
3-4 acres	2	8.0
Over 4 acres	2	8.0
<u>Crops cultivated</u>		
Cash Crops	6	24.0
Food Crops	19	76.0
<u>Livestock Owned</u>		
None	1	4.0
Own Livestock	24	96.0
<u>Income per Year (Ksh.)</u>		
0-10,000	9	36.0
10,001-50,000	9	36.0
50,001-200,000	6	24.0
Over 200,000	1	4.0
<u>Supplementary Income (source)</u>		
None	14	56.0
Spouse	11	44.0
<u>Housing Status</u>		
Own permanent house	5	20.0
Rented	11	44.0
Other types	9	36.0

Source: Field Data

Table 15: KEPP Business Structure and Diversity of Activities

Characteristic	Respondents (n=25)	
	Frequency	Percentage
<u>Business Activity</u>		
Trading	19	76.0
Artisan	3	12.0
Farming	3	12.0
<u>DFID Assistance</u>		
Signposting & Linkages	6	24.0
Financial	14	56.0
Training	14	56.0
Marketing	1	4.0
Information services	10	40.0
Business support	12	48.0
Technology	2	8.0
<u>Non-DFID Support</u>		
None	20	80.0
Some support	5	20.0
<u>Duration of DFID Assistance (years)</u>		
One	3	12.0
Two	11	44.0
Three	4	16.0
No response	7	28.0
<u>Sources of Information</u>		
Friends	9	36.0
Project agents	8	32.0
Advertisements	1	4.0
No response	7	28.0
<u>Becoming Beneficiaries</u>		
Registration/training	6	24.0
Group membership	12	48.0
No response	7	28.0

Source: Field Data

* Data on DFID Assistance not mutually exclusive.

5.2.5 Implications and Conclusions

In its short life of about six years, KEPP has expanded its services to cover credit linkage, training, information dissemination, business support and networking, marketing and technology.

Though these services are currently concentrated at Thika Town, KEPP is trying hard to expand to the town's environs. KEPP's beneficiaries are mainly women who are currently engaged in very small businesses that earn them low incomes.

On the whole, the beneficiaries were happy with the assistance they are getting but suggested that KEPP should consider increasing the amount of loan given to them and the time of repayment. However, KEPP officials explained that they do not give credit themselves, they link clients with those who give credit because their aim is to concentrate on information and other non-credit services.

5.3. K-REP Arifu Documentation Centre

K-REP Arifu Documentation Centre serves clients who are mainly institutions dealing with small enterprise development. A data bank of relevant information is maintained and can be obtained at a fee.

Established in 1994 as part of K-REP, the Arifu centre is located at K-REP's head office in Nairobi with branches in Eldoret (Rift Valley Province), Nyeri (Central Province) and Embu (Eastern Province). The Arifu Centre as commonly known is an institution that identifies, collects and develops, processes and avails relevant information on the development of MSEs sector in Kenya. The specific objective of this project is to facilitate easy access to information on MSEs development literature as a means of coordinating efforts of the Government, donors, practitioners

and researchers in the sector. The centre so far has identified 781 titles, annotated 496 and collected 308 documents. It has a computerized data bank.

5.3.1 Management and Geographical Location

K-REP Arifu Documentation Centre is a very small establishment managed by one male technical staff and two (2) support staff who are women. The Arifu Centre is located at K-Rep's head office in Nairobi; it has no branches elsewhere.

The beneficiaries of Arifu Documentation Centre were mostly institutions. Those who currently contribute to the information disseminated by Arifu include; 414 NGOs, 151 projects, 141 institutions, 210 specialists and 20 subscribers. It has also a total of 228 individual users. Of the subscribers, 13 are institutions and 7 individuals. The institutional subscribers are: FAULU, UNCTAD, St. John's Community, Netcom, Kenya Industrial Estates, PriceWaterhouseCoopers, ILO FIT programme and Egerton University, Undugu Society of Kenya, Catholic Youth Service, Kenya Commercial Bank and Kenya College of Banking.

5.3.2 Profile of Arifu Centre Beneficiaries

Interviewing the beneficiaries of the Arifu Centre introduced conceptual ambiguities in the sense that they were not individuals but institutions. To a large extent therefore, most of the questions in our instrument for beneficiaries were irrelevant. Consequently, an appropriate format of questions was developed to accommodate the said institutional beneficiaries. This report however, was written with the general report guidelines/outline in mind to fit within the overall goals of the project.

A total of 10 beneficiary institutions of the Arifu Centre were visited and interviews conducted with their representatives. Of the 10, 50% indicated that they had used and were currently using the materials from the Arifu Centre. The other half claimed either to have no knowledge of the Arifu Centre or if they knew of its existence were not in a position to comment on it. The latter view is because they had either seen only one or so publications from the Arifu Centre or they had such a limited interaction as to render them incapable of making useful comments.

The institutions that reportedly used Arifu Centre's services included:

1. St John's Community Centre, Pumwani, Nairobi. The centre is a division of the Anglican Church of Kenya. It supports widows and wives of the World War II soldiers and commercial sex workers in terms of understanding development of oneself, financial services, vocational training in business skills, social welfare and evangelism. The centre benefits from documents and research reports at Arifu.
2. FAULU Kenya: This institution is a microfinance organisation based in Nairobi, but with countrywide coverage. FAULU borrows books, reports and materials on microfinance from the Arifu Centre.
3. PriceWaterhouseCoopers: Enterprise Advisory Services. This division of PriceWaterhouseCoopers is a consultancy unit with extensive demands for information on programme design, networking, linking MFIs with formal financial institutions, MSE policy, deregulation and training. The Arifu Centre comes in handy to meet these needs.
4. Kenya Commercial Bank, Special Loans Unit. KCB started this unit in 1991 as a way of extending assistance to MSEs alongside the formal banking services. Some of the projects undertaken by

the unit are: Graduate loan scheme, Women credit scheme, Jua Kali loan scheme and Lake Victoria fishermen credit scheme. The Arifu Centre provides the unit with materials on microfinance and credit schemes.

5. National Industrial Information Centre (NIIC) is a division of Kenya Industrial Research and Development Institute (KIRDI) for collection and storage of data pertaining to industries and industrialisation process in Kenya. It serves as a resources centre for industrial researchers. NIIC has reciprocal relations with the Arifu Centre with respect to documentation on industrialisation.

Five other institutions were contacted, but had little or no knowledge and hence no comments on the Arifu Centre. These were: Farm Implements and Tools (FIT) project by the International Labour Organisation (ILO); United Nations Centre for Trade and Development (UNCTAD); Kenya School of Monetary Studies, Undugu Society of Kenya, and Kenya Industrial Estates (KIE).

While UNCTAD had only received their first publication from Arifu Centre, FIT was so dissatisfied with the centre that they were totally unwilling to talk about it. The rest seemed to have no knowledge of the centre.

5.4. SEDECO Limited

SEDECO was established in 1994 with the purpose of offering business development services to clients in Machakos town, Eastern Province and the rest of Kenya. The organization is managed by a Managing Director (male) with the assistance of an administrative assistant (male), a secretary (female), a manager (male) and a copy typist (female).

SEDECO offers training and advisory services to a large member of clients who are spread out in many parts of the country. Its headquarters is, however, located in Machakos town, Eastern province. SEDECO is one of the many recipients of assistance from DFID to promote business development within MSEs in Kenya.

Due to limited time and finances, the benchmark study only surveyed the clients located in Machakos town. These were selected randomly with care being taken to balance between the various sub-sectors of the MSEs. Out of a total of 12 entrepreneurs selected, only six were eventually interviewed. The rest declined to be interviewed.

5.4.1 Demographic Characteristics of SEDECO Beneficiaries

The beneficiaries were mainly in their 30s with the exception of only one who was aged 29. The mean age for the group was 34.6 years.

In terms of sex, the group consisted of three males and three females. Except for one, all were married. Moreover, all were Kambas from various divisions of Machakos district.

5.4.2 Socio-Economic Characteristics of SEDECO Beneficiaries

Majority of the respondents (83.4%) were Christians, with a similar percentage having secondary education. Only 16.0% had university education. 33.2% had diploma and certificate training, with the rest having attended informal colleges. Table 16 provides details on the type of training institutions attended and the duration of training.

Table 16: Types of Training and Duration: SECECO Beneficiaries

Type of Training Skills	Training Institutions	Length of Training years
Accountancy	University	1
Cash Management	SEDECO	6
Welding and Fitting	Private College	1
Tailoring and Dress-making	" "	2
Dress-making	" "	1
Total Management and Tourism	University, India	1

It should be observed that there are as many types of training as there are specific entrepreneurial specialisations. This suggests that each entrepreneur sought to have some training which could help in improving performance at their places of work. We note that 66.8% of the beneficiaries had technical training, while only 16.6% had received business management skills.

All the respondents had children, the number varying from 1 to 4, but with 83.4% having more than one child. The children's ages varied from 1 year to 14 years, giving a clear impression that to a large extent most respondents were relatively young. All the respondents had school going children, implying that they needed to boost their incomes in order to afford meeting school-related expenses.

Majority of the respondents (83.4%) owned land in their rural areas. This varied from one to nine acres, with an average size of 2.9 acres per household. In most cases (66.8%) the land was used for growing subsistence crops, notably beans and maize. Only in one case (16.6%) was land used for growing coffee.

As for livestock, data showed that four of the six respondents (83.4%) owned between them 10 cows and 71 goats and only one respondent (16.6%) owned 180 chickens. The latter respondent runs a hotel business and the chicken are kept to supply this business. One respondent (16.6%) reported not owning any livestock.

The information on land ownership and utilisation among these respondents is an important pointer to the relationship people in town maintain with the countryside. It also indicates the extent to which resources flow constantly between the urban and rural areas, and vice versa. Furthermore, it clearly shows that even when these people are engaged in off-farm activities, they have not totally abandoned farming.

Income earned per annum varied greatly, ranging from as low as Kshs.60,000 (16.6%) to Kshs.2.7 million (16.6%), with the average income being Ksh.810,000. About 33.2% reported having supplementary income mainly from their spouses.

5.4.3 SEDECO Business Structure and Diversity of Activities

Respondents were involved in a variety of business activities. The data suggest that most were artisans involved in tailoring and dress-making (50.0%); automobile repairs (16.6%); trade (16.6%) and hotel services (16.6%). The hotel owner combined services delivery with farming.

As regards employment, the data showed that businesses employed few workers. Indeed, it is only the hotel business which had a total of 6 employees. Family workers were rarely engaged. In two enterprises (33.2%), there were no workers, family or hired.

The data showed that all the entrepreneurs interviewed worked full-time at their premises. This is indicated by the hours worked per day — an average of 9, and days worked per week — an average of 6.

As to how long they had been in the business, the data suggest all were relatively new. The number of years varied from 1-4 years, giving an average 2.6 years. Unfortunately, it was not easy to know whether or not these entrepreneurs had owned other businesses prior to these.

On the source of knowledge regarding the project, most of the respondents (66.8%) reported having heard of SEDECO through advertisements on the print media or through the Managing Director's visits. Others had received the information through the church and from another organisation (K-REP).

The data revealed two main categories of assistance — training and advisory. Nearly all the respondents received some type of training from SEDECO — in business management, book-keeping, marketing and pricing. Besides, many were advised on various issues including sourcing capital and customer relations.

Only 33.2% of the respondents said they did not receive any other assistance, while the rest had other sources of enterprise support.

5.4.4 SEDECO Beneficiaries' Views and Suggestions

To a large extent, all the respondents were satisfied with the nature and type of services provided. The data suggest that most respondents were now performing their businesses more professionally. They kept their books properly; they were better managers of their enterprises and their customer relations skills had improved. The artisans, especially tailors and dress-makers, confirmed they are better designers with greatly improved skills.

However, they suggested improvements in a number of areas, namely: the training period should be made longer for a more thorough learning; and the training sessions should be made more regular. In this regard, courses should be extensively advertised.

It was also pointed out that in addition to training and advisory services, SEDECO should offer credit and soft loans. This of course would be difficult given the restricted portfolio of SEDECO. Others called for government support in the form of loans, credit and subsidized sheds - especially for *Jua Kali* artisans.

5.4.5. Summary, Implications and Conclusions

SEDECO is involved in dissemination of information through training and advice to a wide range of clients covering different trade-service-artisan categories, as well as many parts of the country. Although located in Machakos, SEDECO is client-based and the services are offered where they are demanded. In this context, SEDECO uses professionals on contract. They offer training and advisory services on short contracts as need arises.

The evidence presented in this survey shows that SEDECO is committed towards promoting business development among MSEs. The managing director is well versed in matters of MSE development and is conscientiously working towards improving skills of interested entrepreneurs. Those who have had an opportunity to train with this firm are satisfied with the help provided.

It may be misleading, however, to make firm conclusions on the role and extent of assistance given by SEDECO. More conclusive assessment must await the monitoring and evaluation exercise. This should be seen to target a larger number of clients with a wider geographical spread.

In conclusion, it is appropriate to state that SEDECO has to a large extent been able to fulfil the objectives for which it received assistance from DFID. It is an organisation that deserves more assistance. A case may be made for SEDECO to consider diversifying its range of support to include credit. This of course will require major restructuring of the organization - which could prove problematic for the managing Director.

5.5. Nairobi Stock Exchange (NSE)

The Nairobi Stock Exchange (NSE) was constituted in 1954 as a voluntary association of stockbrokers registered under the Societies Act. The business of dealing in shares was then confined to the resident European community since Africans and Asians were not permitted to trade in securities until after the attainment of independence in 1963.

In 1991, the NSE was registered under the Companies Act, and phased out the "Call Over" trading system in favour of the floor base "Open Outcry" system. In the last two years, the NSE has also embarked on an extensive modernisation exercise including moving to a more spacious premises at the Nation Centre in July 1994. It has facilities for a modern information centre and electronic trading will soon become feasible.

Today, NSE is one of the most active capital markets in Sub-Saharan Africa. At 31 December 1995, market capitalisation stood at Kshs. 106 billion (US dollars 2 billion) making it the third largest stock exchange in Africa after Johannesburg and Morocco.

The NSE was established with specific objectives, namely to:

- Raise capital for business;
- Mobilise savings for investment;
- Redistribute wealth;

- Improve corporate governance,
- Create investment opportunities for small investors;
- Assist the Government to raise capital for development projects; and
- Act as a barometer of the economy.

In order to achieve the above objectives, NSE has to deal with broking firms as well as individuals. To reach individuals, it publishes brochures entitled *Buying and Selling Shares* and on a wide range of other topics such as becoming a share holder, making the investment decisions, etc. It also has information on brokerage issues such as “commissions”, “Agents of the Nairobi Stock Exchange” and a “glossary of terms used.” It also conducts regional seminars in different towns of the country. It is these educational aspects of the NSE that the DFID project supports, thus it does not involve itself in the ordinary operations of the market.

5.5.1. NSE Management and Geographical Location

The stock exchange is governed by a Board of Directors and managed by a chief executive and three senior managers. NSE services are country-wide, but most brokerage firms are located in Nairobi.

5.5.2 Nairobi Stock Exchange - National Public Education Project (NPEP)

The capital market in Kenya is one of the fastest expanding sectors with increasing importance in the role it is playing in the economy. It has the greatest potential to mobilise private sector savings and investments, stimulate productivity and increase the standards of living. Much has been and continues to be achieved towards this end.

A national public awareness and education campaign on capital markets investments is one of the last uphill tasks that faces the stock exchange today. Substantial publicity has been undertaken through the media, whose performance can only be measured against the level of increased participation by Kenyans through buying of shares. However, given the conceptual nature of the investment products being offered through the stock exchange, an effective promotional education campaign to supplement the media publicity is now a priority in order to achieve savings mobilisation on a national scale. Visual promotional presentations through conferences, workshops and seminars, directly to the target audiences across the country, will mobilise and channel savings through the more efficient stock market to the desired national scale.

The objectives of the national public awareness campaign are: to heighten the level of relevant awareness among the target audience about stock market and investments; to increase the proportion of the national population participation in the stock market; to eventually lower the cost of advertising on new issues (IPOs) and thereby make the capital market competitively cost effective; to increase the markets capacity to reduce the offer period on IPOs and therefore absorb many issues within the shortest time possible; and eventually set a foundation for the creation of collective investment vehicles. It is expected that there would be phenomenal growth of the capital market as a result of increased awareness and participation, by both the investing publics and companies with listing potential. The target audience for the campaign will be income earners and potential income earners still in training institutions. These will include: cooperative societies; training institutions; general traders in towns and smaller urban centres; women groups; civil servants; District Development Committees; and employees of large organizations.

The objective of the benchmark study was to determine the extent to which participation in MSEs had assisted individual entrepreneurs in generating employment and incomes. However, the specific objectives for conducting the survey at NSE were to:

1. Identify the participants of the NPEP seminars and workshops,
2. Establish the benefits (e.g. employment and incomes) accruing to those participating in broking business, and
3. Evaluate the extent and magnitude of education and awareness to increased sales of stocks and shares at NSE.

5.5.3 NPEP Demographic and Socio-economic Characteristics

The sample comprised 6 respondents, five of whom were from Machakos. All the respondents were in their twenties with the exception of one who was aged 48. All the six respondents were single. In terms of ethnicity, three of the respondents were Kikuyu and one of Kamba. The remaining two did not provide answers as to their ethnic background. All were Christians.

All the six said they are graduates of various universities. Moreover, they all had undergone further training; two in business management, one in some unspecified professional training, and three in specialised stock broking. For these three different types of training, all the respondents received diplomas and certificates. The duration of the training varied from one to three years.

Besides, three of the respondents received informal training including seminars. All the respondents had children attending school, thus underscoring their need for boosted incomes.

5.5.4 NPEP Business Structure and Diversity of Activities

The respondents had been in the stock-broking business for a varied number of years. Two firms represented had been in business for three years, one for 10 years, and the remaining three for 33 years or more. Generally, therefore, many of the broking firms had been in business for a significant length of time.

Only one respondent stated the firm represented did not have any employee. The others had hired employees, with an average of 4.3 females and 10.5 males. In total, there were 26 female hired workers compared to 63 males. This shows that the broking firms represented fall in the typical small-size category. None of the broking firms represented employed family members.

Income generated from trading stocks varied from Kshs. 10,000 p.a. (reported by two firms) to 1.2m (also reported by two firms). One firm reported an average of Kshs. 50,000 p.a., and another Kshs. 360,000 p.a.

As for working hours, most of the brokers put in significant time in working hours and working days. Four respondents worked for 8 hours while two worked for 11 hours each. The evidence availed also suggests that most respondents worked for 5 days in a given week while one worked for 7 days a week. This shows clearly that the firms represented in the benchmark survey were very active, and engage the entrepreneurs and their workers for significant periods of time.

All the interviewed brokers said they had known about the education and awareness project of NSE. They had been invited by the NSE to attend the scheduled provincial NPEP seminars as resource persons. One of them attended three seminars. The rest attended at least one seminar.

All the six had been approached by some seminar participants seeking a variety of information concerning shares and stocks. Some requested to be recruited as agents of broking firms.

Another relevant question concerned how much business brokers attending the NPEP seminars were able to generate. Two of the respondents said they had generated business worth Ksh.800,0000.

As to whether or not their business had increased in the four months prior to the survey, all answered in the affirmative. A subsequent question sought to find out how much of the business generated could be attributed to the NPEP. Answers to this were varied. One respondent said it was very minimal but expressed the hope that in the long term this would greatly expand. One put the percentage of business attributable to the NPEP at 10% or Ksh 500,000. Of the remaining respondents, all put the business at 25% except one who put it at 50%.

5.5.5 Summary, Implications and Conclusions

Nairobi Stock Exchange (NSE) has an important role to play in mobilising private sector savings and investments. This is necessary in order to stimulate productivity and generally help to improve the standards of living among the Kenyan population. The establishment of the Capital Market Authority (CMA) should greatly facilitate the entire process of invigorating the economy. This is more urgent now than ever before, given the scarcity of finances, especially at this time of credit-squeeze by the donor community. Getting Kenyans involved in savings schemes is therefore a major priority.

In 1997, NSE designed a pilot project test on mechanisms through which information on purchase of stocks and shares, one way of raising capital. The project was conducted between April and July of 1997 and covered a number of provincial headquarters in Kenya. This benchmark survey targeted some of the seminar participants who are also practising brokers with NSE.

The survey has established that the objectives of NSE's education project were largely successfully realised. NSE's own evaluation report indicates areas of success and weakness. The ultimate objective of the project was to facilitate awareness to and increased participation at the NSE. Evidence available from the benchmark survey indicates some increased participation in the short-term with substantial potential for the future.

A more realistic picture will, however, emerge from more detailed interviews targeting a larger and a more varied spectrum of clients. The implication is that monitoring and evaluation of the impact of the awareness and education project should be more geographically spread out. This was not possible in the benchmark survey due to limited finances and time.

In concluding, NSE is committed to helping develop the capital market in Kenya. To ensure that this objective is achieved, it needs to sell its product vigorously, especially to the rural population whose participation in this area has tended to be marginal.

6.0. FINANCIAL MANAGEMENT SERVICES

The only financial management services project was ICPAK. In 1996, the Small Practitioners Committee (SPC) of the Institute of Certified Public Accountants of Kenya (ICPAK) with the financial support from DFID established a broad framework for Barefoot Accounting Project (BAP). The framework assumed that MSEs would seek and pay for accounting and or consultancy services if these translate directly into increased sales and profits. They agreed to implement a simple affordable demand-driven accounting system to be used by small practitioners to provide accounting services to the MSE sector on a sustainable basis.

The objective of the project (BAP) is therefore to provide support to the SPC and ICPAK to test whether accounting services can be provided to MSEs on a sustainable basis both in small rural towns and larger urban centres where MSEs operate. The project in particular explores the demand level of these services, and the willingness of MSE clients to pay for small practitioners from MSE sector. The broader aim of the BAP is to explore sustainable approaches to increasing MSE access to accounting services in Kenya.

The partner/recipient organisations participating in the project are given in Table 17 with ICPAK as the organisation responsible for the satisfactory performance and achievement of the project objectives. It is evident from Table 17 that most of the organisational goals and objectives are to provide accounting and auditing services to which these organisations devote much of the financial and time resources. A few of them have quite diversified goals and objectives. None of these organisations has changed its original goals.

Table 17: ICPAK Organisational Goals/Objectives and Resource Allocation

Institution	Year	Goal Objectives	% of Monetary resources devoted p.a.	% of the Time devoted p.a.
ICPAK	1997	Accounting Auditing	90	90
	1994	Employment generation	30	5
		Credit savings services	25	5
		Business training	5	15
		Business support	10	-
		Marketing	10	30
Johnson Osoro & Co.	1994	Business counselling	-	10
		Technology development	10	10
		Accounting Auditing	-	10
Otieno Aboke & Co.	1994	Accounting/Auditing	80	80
		Consultancy	20	20
Njagi, Isaac & Associates	1995	Business training and development	5	5
		Information dissemination	80	80
Finatex Consultancy Services	1993	Business counselling	10	10
		Accounting/Auditing	50	50
		Taxation	30	40
		Growth of firm capital	10	-
Wachira Irungu & Associates	1979	Employment generation	10	-
		Business training , business development	10	-
		Business counselling	20	-
		Accounting/Auditing	10	-
		Information Dissemination	20	-
			10	-
Muchugu & Associates	1995	Business training	5	5
		Business counselling	5	5
		Accounting/Auditing	80	10

Source: Field data

Note: Percentages provided by respondents are approximate and do not in all cases add to 100%.

6.1 ICPAK Management and Geographical Location

The organisational structure of these enterprises includes management, technical and support staff. All of them are small in size because they employ between 3 to 21 persons, the majority of whom are male employees.

The participating organisations are mandated to cover all provinces of Kenya except one which claims to have mandate to cover only Nairobi and one or two other provinces. All of them however, do not cover North Eastern Province because of lack of demand for their services in this province.

6.2 Demographic Characteristics of ICPAK Beneficiaries

Majority of the BAP clients are males accounting for 81.3% of the 16 persons interviewed. The average age of these beneficiaries was 41 years with 38% of them in cohorts aged 40-49 years. Moreover, majority of them are married (87.5%), while those that are single or widowed accounted for 6.3% each. Note that entrepreneur's age could have some influence on the acceptance of receiving accounting services and also the performance and management of the business.

All the 16 beneficiaries were Christians. Majority of them were Kikuyu (68.8%) followed by Meru (12.5%). The other ethnic groups included Luhya, Embu and Kamba, each accounting for 6.3%. Most of these clients were from Nairobi Province (50%), while others came from different provinces, namely Central and Eastern with 18.8% each. Western and Rift Valley provinces had 6.3% each.

6.3 Socio-Economic Characteristics of ICPAK Beneficiaries

The baseline survey revealed that 10(62.5%) of the entrepreneurs had secondary education, while 6(37.5%) had university level of education. In addition, majority had professional training (62.5%), while only 6.3% had technical training and 31.3% had no training skills at all. Those who trained at universities accounted for 6.3% and those who trained at informal colleges represented a similar percentage. However, the majority 9(56.3%) trained at diploma and certificate level training institutions. The duration of training tended to vary from 1 year, though for most clients (68.8%), the training duration lasted for 1 to 3 years.

About 36% of the households of the beneficiaries had primary school going children, 23% had children attending secondary schools, and 41% had children in post-secondary institutions. Household size and school attendance has important implications on the family expenditure patterns which could affect business performance especially if the major source of family income is the business.

Entrepreneurs' wealth status was measured in terms of land, buildings owned, livestock and business income. The proportion of clients who reported to own no land was 56.3%, while those who owned some land accounted for 43.8% of the beneficiaries. None of the respondents owned more than 10 acres of land. Among those owning land, only 67% cultivated cash crops; the rest cultivated food crops. Only 25% of the respondents kept livestock on their land, mostly cows, goats and chicken.

With reference to housing status, 62.5% lived in permanent buildings in their rural homes. There is an indication that majority of clients in this cluster earn modest income. In fact, 75% of the beneficiaries earned income of between Kshs. 10,000 - 50,000 annually and those earning above Kshs. 50,000 accounted for 18.8% of the respondents, while 6.3%

earned less than Ksh. 10,000. On supplementary income, 25% received support from their spouses, implying that the family depended largely on the respondents' income.

6.4 ICPAK Business Structure and Diversity of Activities

Most of the businesses surveyed are relatively young with a mean age of 5.5 years with a minimum of one year and a maximum of 13 years. Half of the respondents have been in business for four years or less. The majority (66.7%) were engaged in trading; the rest were involved in rearing livestock (20.0%) and other activities (13.3%). One respondent did not provide information on the nature of his business.

The businesses surveyed used family labour as well as hired labour. On average, the employment size was 4 males and about 2 females per establishment for the 11 trading businesses reported. These firms had a minimum of 1 person (self employed) and a maximum of 11 persons employed in the business. The average employment size was about 6 persons. The establishments reported to have hired labour at an average of 3-5 employees (male) per establishment while 9 firms had hired female employees at an average of 11 persons per firm. Nine firms, however, indicated that they had no hired labour. On average, workers devoted 10.8 hours per day for 6 days a week.

Trading business activities had an average annual income of Kshs. 187,222 with a minimum of Kshs. 45,000 and a maximum of Ksh. 600,000. Other business activities such as dry-cleaning, professional consultancy and furniture had an average annual income of Kshs. 710,666 which is much higher than trading activity.

Those who received advisory services were few -- numbering only 3 (18.8%) -- and training 4 (25.0%). Almost 50% had received accounting and book-keeping services. Over 75% of clients had been in business for less than 1 year since the project was only started in 1997.

The beneficiaries learnt of BAP project through ICPAK initiative (23.5%), through a friend or a business neighbour (5.9%), through a visit by BAP agent (35.5%) and from other NGOs such as K-REP (29.4%). Most of the beneficiaries (68.8%) appreciate the nature of services received from DFID funded projects.

7.0 MARKETING SUPPORT SERVICES

The projects offering marketing support services were: Gender Sensitive Initiative (GSI), TF Express and Jacaranda workshops. These projects offer mainly marketing support services.

7.1. Gender Sensitive Initiative

Although the idea to start GSI was mooted a little earlier, the organization was legally established in 1993 with the express goal of alleviating poverty. This is the same goal being pursued presently. Since 1992, GSI has been offering such services as information documentation, public education, networking, advocacy, training and business support.

7.1.1 GSI Management and Geographical Location

G S I has its head office on the Jabavu Road in Nairobi with branches in Oyugis, Murang'a, Khayega and Kiambu. GSI head office operates with a total of 10 members of staff of whom 80% are females. The top management of the organization is 100% female with males occupying 50% of the technical level and 25% of the support staff level. This scenario is almost replicated at branch levels. For example at Igulu, out of the total three (3) permanent employees, 2 (66.7%) are women with the male coming in mainly as a committee member. At Oyugis, it is a 50-50 affair at all levels.

GSI mandated coverage is nationwide. However, it currently operates in four provinces namely: Nyanza, Nairobi, Central, and Western. Financial constraints were cited for the limited coverage. However, it is hoped that its activities will gradually flow to the rest of the nation.

The only DFID project, the Pambazuka Women Enterprises Development Centre (P.W.E.D.C.) was started in 1994 with a total value of Kshs. 2 million. It is a poverty alleviation project designed to offer business support services to the poor, but economically active women in Majengo area in Nairobi. The major activities are sign posting, business development and counselling. The project is operated mainly by women and covers Nairobi Province. The programme director claimed that the project had benefited over 500 women. However, these beneficiaries could not be traced for the purposes of data collection.

It was found that GSI - DFID project had stopped and attempts to borrow money from its other non-DFID projects to continue have not yielded fruits. The stalling was caused by the fact that DFID had not released additional funds which are still awaited. The main reason for DFID not releasing funds was said to be the fact that the proposal for the second release had not yet been accepted by DFID due to: firstly, variance in orientation between GSI and DFID, and secondly, that GSI was unable to qualify impact of their intervention.

Not being accepted means that the proposal had not met the required DFID standards. Some of the issues looked at in any proposal include objectives and methodology. The GSI Programme Director revealed that the GSI objective targets the very poor women who may not have projects that can be tracked down, monitored and evaluated using the conventional or orthodox business methods and tools such as the DFID logframe. It appeared, therefore, that lack of conformity to the said conventional methods and methodologies had played a role in the stalling of the DFID project at GSI. If this is true, the implication is that non-adherence to donor requirements can cost projects donor assistance.

The other finding about GSI was that the word gender was used as universally understood, to refer to both men and women. However, many projects undertaken by GSI target women more than men. This is because women are a special focal point for GSI as a special instrument to poverty alleviation. Pambazuka branch focused on women as a special marginalised group who suffer more because of their economic disability. This was the entry point to discussions with DFID at the inception of GSI.

GSI has a number of on-going multi-million-worth non-DFID projects funded by different donors. They include business training, business counselling, public education, professional hairdressing and women in public life. The Participatory Evaluation Process (PEP) as a training tool for public/community education for awareness raising and people empowerment must be emphasized. Beneficiaries are the communities' men and women as well as boys and girls. These projects were designed to cover the entire nation and were all started in the early nineties. However, it was found that the beneficiaries of these projects were predominantly women. These beneficiaries had the following characteristics: They were aged between 20 and 50 with the ratio of males to females being approximately 3:1. There were as many married persons as there were singles. None of them had education beyond secondary level and some had training in trades such as masonry and teaching.

The married beneficiaries had large families with the largest family recording 13 members against meagre wealth resources. Thus the highest land holding was 16 hectares and the lowest 3. Monthly incomes ranged from Kshs. 2,000 to 7,000. The predominant economic activity was mixed peasantry, mainly arable farming and animal-keeping.

The predominant type of assistance received by GSI was advisory, training, technology and, to some extent, material help. The beneficiaries came to know about GSI and its projects through various ways which include seminars, personal contacts and British Council information. These were the most frequent methods of becoming beneficiaries.

7.1.2 Conclusion and Implications

DFID assistance to GSI had stalled. Judging from the attitude displayed, there was the danger that the project might wind up before achieving the goal for which it was started.

7.2. T.F. Express Limited

T. F. Express Limited was established in 1995 and is located on Kamburu drive off Nairobi's Ngong Road. It was started with, and maintains four major goals to which it devotes monetary and time resources to consultancy in the area of marketing interventions.

7.2.1. Management and Geographical Location

T.F. Express Limited has a total of 4 members of staff of whom 5% are females. It is, however, managed by a male. The enterprise was mandated to cover the entire nation, but currently, it covers only four provinces, namely: Central, Rift valley, Eastern and Nairobi. It is expected to gradually cover all the other provinces in the country.

7.2.2. DFID Projects

The only DFID project was the Export Foods Supply Development Project. It is a two phase project which started in June 1997 and is expected to end in April, 1999. It has a magnitude of Kshs. 1.6 million and addresses export business promotion by giving marketing services, disseminating relevant information, assisting establishment of business linkages and brokerage services to MSEs.

Phase 1 of the project has 3 stages. The on-going stage 1 is a baseline survey meant to select clients. Stage 2 will involve the design and implementation of project activities. Market information dissemination, linkage services and brokerage services will be undertaken in this stage. Stage 3 will involve refining of replicable activities. Phase 2 will involve the development of an export supplies development programme on a sustainable basis.

7.2.3. *Non-DFID Projects*

Since its inception, T.F. Express has undertaken a number of non-DFID agro-based projects of varying magnitudes. On-going non-DFID projects at T.F. Express include ILO/FIT Resources Ltd., business support project for Uganda Micro and Small enterprises, K-Map business counselling assignments nationwide and UNDP/Ministry of Planning and National Development/Office of the V.P. industrial diagnostic studies.

7.2.4 *The Beneficiaries*

T.F. Express beneficiaries include both farmers and small scale enterprise owners in Kenya and Uganda. The beneficiaries for the DFID project had not yet been selected at the time of this benchmark survey since the organization had just started its own baseline survey. The beneficiaries will be drawn from a list of over 30 clients nationwide.

7.2.5 *Conclusion and Implications*

T.F. Express had undertaken a systematic approach to project planning and management. It is not a common phenomenon that Kenyan organizations do comprehensive baseline surveys of their clients before embarking on project implementation. This was being done by T.F. Express at least for the DFID Project.

The implication here is that if every organisation carried out a baseline survey before implementing a project, this would accelerate and make comprehensive subsequent evaluations and assessments of their impacts.

7.2.6 Recommendations

The DFID project had been received well by the T.F. Express Ltd. and systematic steps were being taken prior to implementation. We therefore recommend that DFID require all organisations receiving funding to carry out a benchmark survey of prospective beneficiaries/clients.

7.3. Jacaranda Workshop Ltd.

Jacaranda Workshop Ltd. was established in 1982 by a management committee made up of members of the Nairobi Rotary Club. These are professional people whose roles include: raising funds to finance the workshop activities. Presently Jacaranda Workshop Ltd. manufactures fashion jewellery, ceramics, paper mache and additional sundry components.

The main aim of the enterprise is the provision of employment and generation of income to completing students of Jacaranda Special School for the mentally handicapped. Its specific objectives are to:

- Foster an enabling working environment for persons who are mentally handicapped for their personal rehabilitation and development.
- Assist them to be self-reliant, improve their self-esteem and human worth, and integrate them in society;
- Enhance their capability and productive skills; and
- Encourage economic independence of the handicapped artisans.

7.3.1 *Jacaranda Management and Geographical Location*

Jacaranda Workshop Ltd. is managed by a total of 17 members of staff of whom fewer than 25% are females. The manager is a male with university education. He is supported by 2 females and 4 male technical staff with training in special education. Of the 8 support staff, only one is female. The workshop is located on Siaya road in the Kileleshwa area of Nairobi. It offers employment and on-job training to the physically and mentally handicapped citizens of Kenya. Jacaranda Workshop Ltd. was mandated to cover Nairobi Province and has not established any branch yet. It relies heavily on donor funding.

The Workshop has just one project, namely, employment creation. Although the project is supposed to be self-sustaining, it faces various difficulties that require assistance. For example in 1997, Jacaranda was short of business development funds and DFID donated Kshs. 1.5 million to act as bridging funds for the deficit the Workshop was experiencing. The funds were to facilitate the development of local markets for products of Jacaranda workshops and expand the product range for the local and export markets.

As stated above, Jacaranda has one project which faces difficulties from time to time. When this happens, other donors come in to assist in various aspects of the same project. Thus, for example, the Nairobi Rotary Club assists in physical infrastructure development. This includes construction of buildings and water systems on the site. The Christian Blind Mission has been helping with funds for business support services since 1984.

7.3.2 The Beneficiaries

Jacaranda is a workshop for the physically and mentally handicapped. These handicapped are mainly from the middle and low income families. Most of them have been with the Workshop since it was established 16 years ago. These handicapped are employed to produce mainly handi-craft which are marketed to make profit out of which salaries are paid to the producers, mainly on a piece-rate basis. At the time of this survey, there were 43 active handicapped producers of whom 30 (70%) were males. After joining Jacaranda, the employees undergo on-job training.

It was rather difficult to interview the beneficiaries because the timing of the survey coincided with December, 1997 holidays when most of them had gone to their rural homes. For those who were available, communication was a big problem. The option to interview their parents was not feasible because some of them were openly reluctant to identify themselves with their handicapped children.

All the eight beneficiaries that were interviewed were happy with what they do, but expressed the desire to acquire more (new) skills and even technology. The parents interviewed expressed gratitude to Jacaranda and were happy as inferred from the following verbatim expression:

“I think the project has helped my daughter to be independent and have self-esteem. If this project was not there I do not know where I would have taken her. Moreover, the money she earns helps us in the house and for her personal needs”.

The key finding at Jacaranda was that this was a unique project; its target group being the physically and mentally handicapped who cannot be expected to start and run their own businesses. The management at the Workshop revealed that an attempt to assist one of the beneficiaries to set up his own business failed. This was because he could not adequately compete with the normal business people in his trade; some customers would not patronise the business; and he also experienced animosity from some members of the public.

7.3.3 Conclusion and Recommendations

Jacaranda Workshop has been of great assistance to the disabled members of the Kenyan society. It is thus recommended that first, this effort should be expanded to benefit a bigger population than is currently being served whenever possible. Secondly, Jacaranda Workshop should be considered special, which indeed it is, in trying to evaluate the impact of donor assistance rather than being considered at par with other organisations receiving assistance.

REFERENCES

- Ashe, J. 1985. *The PISCES II Experience: Local Efforts in Micro-Enterprise Development*. Vol.1. Washington, DC: USAID.
- Babbie, E. R. 1983. *The Practice of Social Research*. Belmont California: Wadsworth.
- Daniels, L., Mead, D. C. and Musinga, M. 1995. "Employment and Income in Micro and Small Enterprise in Kenya: Results of a 1995 Survey." Research Paper No. 26. Nairobi: K-REP.
- De Soto, H. 1989. *The Other Path: The Invisible Revolution in the Third World*. New York: Harper & Row.
- Downing, Jeanne, 1990. "Gender and the Growth and Dynamics of Micro Enterprises." GEMINI Working Paper No. 5, Bethesda, MD: Development Alternatives Inc.
- Fisseha, Y. and McPherson, M.A. 1991. "A Country-wide Study of Small Scale Enterprises in Swaziland." GEMINI Technical Report No. 24. Washington, DC: USAID.
- ILO, 1972. *Employment, Incomes and Equality: A Strategy for Increasing Productive Employment in Kenya*. Geneva: International Labour Organisation.
- Jacaranda Workshops Ltd., 1996. Project proposal.

K-REP, 1994. Proposal for Establishing a Centre for Information on Small and Jua Kali Enterprise Development. Nairobi: K-REP.

Kagira, B. M., 1997. "Non Financial Services for Micro and Small Enterprises". Nairobi: Technoserve Inc.

Kenya, Republic of. 1986. "Sessional Paper No. 1 of 1986 on Economic Management for Renewed Growth." Nairobi: Government Printer.

Kenya, Republic of. ILO; UNDP. 1988. "A Strategy for Small Enterprise Development in Kenya." Nairobi: GOK/ILO/UNDP.

Kenya, Republic of. 1994. "Sessional Paper No. 1 of 1994 on Recovery and Sustainable Development to Year 2010." Nairobi: Government Printer.

Kenya, Republic of. 1989. National Development Plan 1989-1993. Nairobi: Government Printer.

Kenya, Republic of. 1994. National Development Plan 1994-1996. Nairobi: Government Printer.

Kenya, Republic of. 1997. National Development Plan 1997-2001. Nairobi: Government Printer.

Kenya, Republic of. 1992. "Sessional Paper no. 2 of 1992, on Small Enterprises and Jua Kali Development." Nairobi: Government Printer.

Larance, L.R. 1998. "Banking on Social Capital: What We have to Learn from Grameen Bank Members." *The Journal of Social Studies*, 82:67-105.

Maitha, J.K.; Onyango, I.A.; Kagira, B.M.; Manundu, M.; Esibusu, E.; and Kamau, B. 1997. "A Review of Central Government Policies for Micro and Small Enterprises in Kenya." Final Report to the International Centre for Economic Growth (ICEG). Nairobi: African Development Research Foundation.

Morrisson, C., Lecompte, H.B.S. and Oudin, X. 1994. *Micro Enterprises and the Institutional Framework*. Paris: OECD Publications Services.

ODA, 1993. K-MAP Project Memorandum: Business Growth Training Project.

ODA, 1995. Strategy for ODA Support for Small Enterprise Development.

ODA, 1996. Social Development Assistants (SDA) Training Project.

Ondiege, P. and Dondo, A. 1995. "The Informal Sector in Kenya." Nairobi: University of Nairobi, Housing Research and Development Unit.

Parker, Joan C. and Torres, T.C. 1993. "Micro and Small Enterprises in Kenya: Results of the 1993 National Baseline Survey." K-REP Research Paper No. 24. Nairobi: K-REP and USAID.

Sebstad, J., Barnes, D. and Chen, G. 1995. "Assessing the Impacts of Micro-enterprises Intervention: A Framework of Analysis." Washington, D.C.: USAID

Singleton, S.R., Straits, B.C., Straits, M.M and McAllister, R.J., 1988. *Approaches to Social Research*. New York: Oxford Univeristy Press.

Wilson, P. and Mwai, R. 1996. "K-MAP Business Growth Centre, Mid-Term Performance and Impact Review."

APPENDIX : SURVEY QUESTIONNAIRE

The following questionnaire was administered to clients in most of the projects. Adaptations were made to fit the special requirements of certain projects such as SEAS, Arifu Centre, and Jacaranda Workshop.

**UNIVERSITY OF NAIROBI
INSTITUTE FOR DEVELOPMENT STUDIES
REME PROJECT**

**QUESTIONNAIRE FOR BASELINE DATA ON
BUSINESS DEVELOPMENT SERVICES IN KENYA**

PROFILE OF BENEFICIARIES

Information provided will be treated confidentially

Name of Interviewer _____

Place of Interview _____

Date of Interview _____

Time Interview started _____

Time Interview ended _____

1. **PERSONAL DATA OF BENEFICIARY** Code

Name: _____

Sex: _____ 1.=Male 2.=Female

Age: _____

2. Marital status _____ Code

- 1 = married
- 2 = single
- 3 = divorced
- 4 = widowed

3. Religion _____

4. Ethnic Group _____

5. Province _____

6. District _____

7. Division _____

8. **Education Level** Code

- No formal education _____ 1
- Adult literacy _____ 2
- Madrassa _____ 3
- Lower primary (1-5) _____ 4
- Upper primary (5-8) _____ 5
- Secondary (form 1-4) _____ 6
- Form 5 & 6 "A" level _____ 7
- University _____ 8
- Any other education, specify _____ 9

9. Training Skills: Complete the table below:

Code	Type of training	Institution	Years of training
1.			
2.			
3.			
4.			
5.			
6.			

10. Household Size and Composition

House Member Name	Age	Sex	Relationship to respondent	Education			Occup	Marital Status
				Pri	Sec	Post Sec		
1.								
2.								
3.								
4.								
5.								
6.								
7.								
8.								
9.								
10.								
11.								
12.								
13.								

- NB: (1) For more names use the back page
 (2) For marital status use codes for question no.2.
 (3) If somebody has a wife or children who may not be staying with him but depend on him, then include them in the list of household members

Wealth Status

11. Landed Property (No. of acres)

- 0 _____
- 1 - 2 _____
- 3 - 4 _____
- 5 - 9 _____
- 10 and above _____

Land use

12. Specify agricultural activities

Code	Crops	No. of hectares
1.		
2.		
3.		
4.		
5.		
Others specify		

13. Type of building (for owner occupier only) No.of Units

- Stone wall + Iron roof _____
- Mud wall + Iron roof _____
- Brickwall + Iron roof _____
- Others (specify wall + roof types) _____

14. Livestock

No. of pigs _____
 No. of cows _____
 No. of rabbits _____
 No. goats _____
 No. of turkeys _____
 No. of chickens _____
 No. of ducks _____
 Others (specify) _____

15. Respondents Income

	Monthly	Annual
Less than 10,000 (Ksh) p.a.		
10,000-50,000 p.a.		
50,000-200,000 p.a.		
More than 200,000		

16. Sources of supplementary income/financial assistance.

Source	Monthly	Annual
Spouses		
Children		
Others (specify)		
Total		

18. Tick the type of assistance you receive from the project (DFID).

Code

- 1. Financial ()
- 2. Advisory ()
- 3. Training ()
- 4. Marketing ()
- 5. Technology ()
- 6. Information services ()
- 7. Business Support Services ()
- 8. Sign posting & Business Linkage services ()
- 9. Others specify ()

19. How long have you been in this project? ()

Code

- 1. Less than 1 year
- 2. 1 - 2 years
- 3. 2 - 4 years
- 4. More than 4 years (specify)

20. How did you get to know about this project?

21. How did you become a beneficiary?

22. If you receive financial assistance from this project, specify the amount
(Kshs.)

23. What is the system of repayment?

24. How do you spend the money? You receive from DFID

Code		
1.	On (Enterprise) or Business	
2.		
3.		
4.		
5.		

25. Do you receive assistance from other project apart from this project?
 (DFID) Code: Yes = 1 No = 2 Yes () No ()

26. If "yes" provided the information below

Type of Assistance	Project	Period of Assistance
1.		From to
2.		From to
3.		From to
4.		From to
5.		From to
6.		From to
7.		From to
8.		From to
9.		From to

