

Information based business development services in Kenya

Abstract:

This document is a benchmark survey report of the DFID-BASE funded project 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 profile 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 analyze and interpret the data collected. It was found that information based interventions were being implemented by differing organizations, some of which had well established structures and systems, while others were still nascent. The foci of these organizations lay in the area of BDS for MSE sector and they were quite selective in the social 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 organizations/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 12 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 well-being be clearly investigated during the impact study.