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TECHNOLOGY BASED BUSINESS DEVELPOMENT SERVICES IN KENYA

A BENCHMARK STUDY OF THREE PROJECTS

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by

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ACRONYMS

BASE	British Aid to Small Enterprises
BDS	Business Development Services
BIP	Business Improvement Programme
ACK	Anglican Church of Kenya
DFID	Department For International Development
FIT	Farm Implements and Tools
HABRI	Housing and Building Research Institute
ITDG	Intermediate Technology Development Group
ILO	International Labour Organisation
INTERCORP	Inter-cooperative to Support Export Marketing
IRBD	Institute for Research on Bio Diversity
KENGO	Kenya Energy Non-government
KICK	Kisumu Innovation Centre, Kenya
KIE	Kenya Industrial Estates
KYFEA	Kenya Youth Finance and Entrepreneurship Association
MHANHCSS	Ministry of Home Affairs, National Heritage, Culture and Social Services
MSE	Micro and Small Enterprise
NGO	Non-Governmental Organisation
REME	Research Monitoring and Evaluation
SSJKE	Small Scale and Jua Kali Enterprise
SITE	Strengthening Informal Sector Training and Enterprises.
TEMAK	Teenage Mothers Association of Kenya
TOT	Training of Trainers

UNDP	United Nations Development Program
USAID	United States Agency for International Development
VSO	Voluntary Service Overseas

EXECUTIVE SUMMARY

Micro and small enterprises (MSEs) form a significant sector for socio-economic development. The government of Kenya has therefore identified this sector as the primary means for sustainable socio-economic development. This view is expressed in several government policy documents, i.e. the Sessional Paper No.1 of 1986 (Kenya, 1986); the Sessional Paper No.2 of 1991 (Kenya, 1991) and several National Development Plans published since Independence in 1963.

This study, however, focuses on technology based enterprise projects namely ApproTEC, Kisumu Innovation Centre, Kenya (KICK) and Artisan Trust Africa. The study's main objective was to establish a data base for identifying the status of BASE-funded technology based projects and to provide benchmark information for future evaluation and impact assessment.

The methodology adopted consisted of various research techniques that are suitable for a benchmark study. Among the methodologies used were exploratory, descriptive and explanatory designs. In specific terms, it means that this study collected data using sample survey, interviews on project management, and direct observation techniques. Such techniques helped to cross-check impressions from other sources of information. They also aimed at identifying relevant variables and how they relate to each other. Other methodology instruments used were questionnaires and checklists. In this way the sampling strategy for countrywide projects was made easier.

Field data collected were of two categories, namely, institutional profile and beneficiaries profile. Institutional data embraced organisational structure, services rendered and DFID and non-DFID support. Data on beneficiaries covered their demographic and socio-economic characteristics, assistance received from DFID and non-DFID sources, constraints and perceptions on how to improve project performance.

The major findings are that, technology based projects have not changed their initial aims and objectives since their inception. For example, ApproTEC was founded with the aim of creating employment and promoting economic growth. KICK and Artisan Trust had similar aims and objectives, i.e. to emphasise technology development and production.

Technology based projects achieved their objectives by researching, developing and disseminating technologies designed especially for MSE sector in Kenya. Currently ApproTEC is implementing three DFID-funded activities and projects, namely, pedal pump project, core programmes and AKILI. KICK is also implementing two DFID projects. One project aims at restructuring KICK into two entities designated as Ziwa Creations Ltd and KICK. Artisan Trust Africa is also emphasising training of local artisans. Currently, all technology based projects are receiving supplementary funding from other non-DFID sources. For example, ApproTEC's project known as Oil Press is funded by the Royal Netherlands Embassy based in Nairobi and its Micro Private Enterprise Development (Micro-PED) is funded by the

USAID. In addition, KICK's technology dissemination programme had received funds from ILO and Kenya Gatsby Charitable Trust among others. Technology based projects also have a highly trained management staff which, apparently, is predominantly male and rather small in the context of their nation-wide coverage.

With the exception of KICK, both ApproTEC and Artisan Trust Africa have a mandate to cover all provinces in Kenya. However, ApproTEC's involvement in North Eastern and Coast Provinces is not comparable in terms of extent to that in other provinces. The same could be said about Artisan Trust Africa whose activities tend to concentrate heavily in Nairobi and its environs.

The majority of ApproTEC beneficiaries (61%) are married men. The sizes of their households vary significantly, ranging between one and twenty-two numbers. About 46% of these beneficiaries receive income ranging from Kshs.10,000/- to 50,000/- per year. KICK, whose activities are concentrated in Kisumu town, Nyanza province, also has predominated male beneficiaries (93.8%) of whom 43.8% are married. The average household size of these beneficiaries is about 5 persons. 81% of all household members had formal education. Majority of KICKs beneficiaries (20%) earn between Kshs.80,000 and 90,000 annually.

Artisan Trust Africa is a small organisation whose beneficiaries are also predominantly males. They have an income ranging between Kshs.60,000 and 100,000/- per year.

Technology based projects received support from both DFID and non-DFID source. ApproTEC, for example, received DFID support in dissemination of technology and training. KICK and Artisan Trust Africa also receive DFID support in training and technology development. In addition, few beneficiaries of these organisations receive supplementary support from non-DFID sources. 82% of ApproTEC beneficiaries stated that they have not received assistance from any other organisation, while only 16.7% of KICK's beneficiaries admitted that they have received supplementary assistance from other non-DFID sources. A similar response was given by beneficiaries of Artisan Trust Africa.

In conclusion, there is evidence that services rendered by technology based projects are evenly distributed. Projects tend to be concentrated in the major urban centres rather than the rural areas. This team questioned this in light of BASE's aim of poverty alleviation.

TABLE OF CONTENTS

ACRONYMS	iii
EXECUTIVE SUMMARY	v
TABLE OF CONTENTS	ix
LIST OF TABLES	xii
FOREWORD	xiv
ACKNOWLEDGEMENTS	xvi
PART I: GENERAL FINDINGS	**1**
1.0 INTRODUCTION	2
1.1 General Background	2
1.2 The REME Project	3
1.3 Definition and Importance of BDS	4
1.4 Study Objectives	4
1.5 Importance of the Study	5
2.0 LITERATURE REVIEW	**6**
2.1 General Perception	6
2.2 Perception of the Kenyan MSE Sector	8
2.3 Policy Issues Pertaining to MSE	9
2.4 Emerging Issues on MSEs	12
2.5 Business Service Interventions	13
2.6 Target Beneficiaries and Anticipated Benefits	15
3.0 METHODOLOGY	15
3.1 Research Purpose and Theory	15
3.2 Data collection	17

3.3	Timing and Methods of data collection	19
3.4	Limitations of the Study	20
4.0. OVERALL FINDINGS		21
PART II: PROJECT PROFILES		**23**
5.0 APPROTEC		**24**
5.1	ApproTEC Institutional Profile	24
5.2	ApproTEC Beneficiary Profile	34
5.3	Household Size and Composition	37
5.4	Socio Economic Characteristics of ApproTEC Beneficiaries	39
5.5	Business Characteristics	44
5.6	Assistance Received	49
5.7	Project Performance	50
5.8	Summary and Conclusions	52
6.0	**KICK**	**56**
6.1	KICK Institutional Profile	56
6.2	Demographic and socio-economic characteristics of beneficiaries	64
6.3	Household Size and Composition	69
6.4	Wealth Status and Income Distribution	75
6.5	Business Characteristics	77
6.6	Links to KICK	81
6.7	Artisans' Assessment of KICK	82

7.0	**ARTISAN TRUST**	**84**
7.1	Background on Artisan Trust (Africa)	84
7.2	Study Area	84
7.3	Profile of the Organisation	85
7.4	Profile of Respondents	86
7.5	Business Characteristics	87
8.0	**REFERENCES**	**88**
APPENDIX 1: KICK TRAINING DEPARMENT YEAR 1995		**93**
APPENDIX 2 : SURVEYQUESTIONNAIRE		**95**

LIST OF TABLES

Table 1:	Organisational Structure of ApproTEC by Sex of Staff	27
Table 2:	ApproTEC's On-going DFID Projects	31
Table 3:	ApproTEC's On-going Non-DFID Projects	34
Table 4:	Age of ApproTEC Beneficiaries	36
Table 5:	Marital Status	37
Table 6:	Household Size of ApproTEC Clients	38
Table 7:	Educational Level of ApproTEC Beneficiaries	40
Table 8:	Type of Training Received by ApproTEC Beneficiaries	41
Table 9a:	Respondents' Income	42
Table 9b:	Source of Supplementary Income	42
Table 10:	Non - DFID Projects Executed by KICK	63
Table 11:	Age-Sex Distribution of Beneficiaries	65
Table 12:	Educational Attainment and Training Skills	67
Table 13:	Household Composition by Age, Sex and Marital Status	70
Table 14:	Educational Attainment of Household Members	72

Table 15:	Distribution of Household Members by Sex and Occupation	74
Table 16:	Respondents' Annual Income in Kshs.	77
Table 17:	Annual Income by Type of Business Activity	80
Table 18:	DFID. Project Assistance	81

FOREWORD

The Benchmark Study of Technology-Based Business Development Services to Micro and Small Enterprises (MSEs) 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 three projects funded by DFID that offer technology-based business development services to micro and small enterprises in Kenya. The three organisations -- ApproTEC, Kisumu Innovation Centre-Kenya (KICK), and Artisan Trust Africa -- offered varied services aimed at strengthening the technology available to MSEs and, in the case of ApproTEC, to the wider community. Unlike the typical project evaluation study, which tends to focus on organisational matters such as numbers of clients reached and operational efficiency, this research was conceived as a first step towards assessing the impact of services offered by these projects on the recipients and their enterprises, households, or communities. The present study prepares the ground for such an assessment of impact by providing basic information on the projects and their clients.

Researchers visited the institutions and their branches as well as 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.

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On behalf of the research team that executed this challenging task, I would like to express our sincere gratitude to the director of IDS, Prof. Patrick O. Alila and the Co-ordinator of REME Project, Dr.Dorothy McCormick for initiating this project. The project was launched at a time when the political climate before the December, 1997 General Elections was unfavourable for fieldwork. However, in most cases, field surveys were conducted smoothly.

We are, therefore, extremely grateful to the staff, especially the management executives of all the three projects, for giving us valuable assistance and data. We want, also, to express our appreciation to all the research assistants who helped with data collection.

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Prof. Elias H.O.Ayiemba,
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i

PART I: GENERAL FINDINGS

1.0 INTRODUCTION

This report is in two parts. Part I discusses general issues about the problem, while Part II focuses on the specific projects.

1.1 General Background

The Government of Kenya, like governments of other developing countries, regards the micro and small enterprises (MSEs) sector as a significant sector 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 several government policy documents which include the Sessional Paper No. 1 of 1986 (Kenya, 1986); the sixth National Development Plan, 1989-1993 (Kenya,1989); Sessional Paper No. 2 of 1991 (Kenya,1991) and that of 1992 (Kenya,1992).

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 (1994) estimated that Kenya has over 900,000 micro and small enterprises, employing nearly two million people. More concisely, 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) program. It is important to note that 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 1996-97.

1.2 The REME Project

The Research, Monitoring and Evaluation (REME) project was established by BASE and the Institute for Development Studies (IDS), University of Nairobi and assigned the role of assessing the impact and effectiveness of interventions to promote the MSEs sector in Kenya. In preparation for evaluation and impact assessment, it was found necessary to conduct benchmark studies. For administrative efficacy, it was deemed appropriate to categorise the projects into three broad groups, namely:

- Micro-Finance
- De-regulation
- Business development services (BDS).

For the purpose of writing a coherent report, business development services (BDS) have been split into two groups, namely, technology based enterprise projects and business information dissemination services. This report, however, considers only technology based enterprise projects, namely:

- ApproTEC

- Kisumu Innovation Centre (KICK), and
- Artisan Trust Africa

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 provision, technology development and transfer, business linkages, and infrastructure provision. The importance of these services lies in the fact that they lubricate the engine of SME development. They help businesses overcome various performance constraints.

REME is, however, investigating only the following BDS projects:

- Business training and counselling services;
- Technology based enterprises, product design and development services;
- Information dissemination and networking services; and
- Marketing support services.

1.4 Study Objectives

The study's main objective was to establish a data base for identifying the status of BASE-funded projects and to provide benchmark information for future evaluation and impact assessments.

The specific objectives of the study were to:

(a) Develop general profiles of the BASE-funded organisations; and

(b) Develop profiles of clients of BASE-funded projects.

1.5 Importance 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 undeveloped field. Not all donors and practitioners may be conscious of how much they know about the effects of their interventions on SMEs. 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 SME 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 that it will assist researchers to carry out the intended impact assessment of the BASE-funded organisations.

2.0 LITERATURE REVIEW

2.1 General Perception

Literature on the perception of MSE Sector and its role in development has 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 vitiated the ability of both modern private and public sectors to generate employment and increase incomes to levels which could sustain desirable socio-economic development. This perception was clearly noted by De Soto (1989). He 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 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 the MSE related investment. In particular they have stressed that:

- 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. But 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; some include unpaid family workers while others may have one or several hired employees. It has been noted that although no single characteristic distinguishes MSEs from the small enterprise, the position derived from the literature tends to suggest that the rule of thumb is that the threshold of ten employees including the owner-operator and family workers should be considered as the upper limit for an MSE (Meyer, 1984).

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 in the country. The ILO report on Employment, Incomes and Equity in Kenya (ILO, 1972) has since been hailed as having broken the ground in providing concrete and irreversible justification for the development of the micro and small enterprise sector. Subsequent publications widely acknowledged the importance of MSEs and ascertained that they were 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 (1994). 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 of this quantification 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 MSE

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 with the intention of assisting 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 other important document is the Sessional Paper No. 2 of 1992 on Small Enterprise and Jua Kali Development in Kenya (Kenya, 1992). This policy document is the blueprint 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, among other issues, 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 the District level on the actual and prioritised requirements of the 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 is another important document (Kenya, 1994). 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 in 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 to be established in growth centres to address the limitations imposed by the short age of industrial infrastructure.
- New industrial estates capable of accommodating 50-200 medium scale industries to be constructed in key industrial areas.

In the various National Development Plans (1989/93; 1993/97 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 its 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 or 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 1994). Other constraints include : lack of work site security; limited access to infra-

structure; 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 services such as banking, insurance and legal services. (Ondiege and Dondo 1995).

2.4 Emerging Issues on MSEs

The ILO/UNDP/GOK (1988) project classifies these 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;
- Low level of managerial and technical skills in the sector.

These constraints have been duly recognized by BASE, hence its support for SME development.

In a nutshell, what emerges from this body of literature is that aid for small enterprise development is justified by the importance of MSEs, and the specific disabilities and constraints suffered by the sector. Some of the latter arise from capital, policy, market and information failures while others arise from inappropriate laws and regulations. The effectiveness of aid depends on fruitful policy dialogue and effective, low cost outreach through local intermediaries including NGOs which work more closely with target groups and, therefore, tend to be more effective aid deliverers than the government which is highly bureaucratic. (ODA, 1995; Ondiege and Dondo 1995).

In recognition of the foregoing, considerable 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, due to scarcity of literature on specific BDS services our focus in this review is limited to marketing, training, technology and social interventions.

2.5 Business Service Interventions

2.5.1 *Marketing Interventions*

Available literature (see, for instance, Morrisson et al. 1994 and ODA 1995) defines marketing interventions as strategies that expand market opportunities for enterprises with approaches including programmes 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 can 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 by creating new options and opportunities for economic participation on the poor and other restricted groups such as women.

2.5.2. *Training Interventions*

These strategies include programmes and projects to improve production and management 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 Intervention*

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 organisation of equipment, tools and labour (Morrisson et al.1994). They also increase product outputs and shelf life, product quality, consistency and reliability, and make the enterprise more bankable and therefore sustainable (Ibid).

2.5.4. *Social Interventions*

Social interventions are strategies that entail special efforts to integrate poor men and women into formal financial markets and product markets and services that enhance access to resources, skills and opportunities to improve their wellbeing and productivity (De Soto, 1989). Group organising is a primary vehicle for social intervention because 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 and become a source of mutual support to one another.

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 output level by assisting in creating effective and sustainable institutions and instruments for micro and small enterprise development within a dynamic private sector (ODA, 1995).

3.0 METHODOLOGY

3.1 Research Purpose and Theory

Available literature (see, for instance, Singleton et al. 1988, Babbie 1983) shows that the purposes for which a research is conducted has important implications on the structuring of the entire research activity. Consequently researchers in the social sciences distinguish three broad purposes and therefore types of studies or designs. These are exploratory, descriptive and explanatory studies.

Benchmark studies are in essence descriptive studies and, as such, a fact finding enterprise. They focus on relatively few dimensions of a well-defined entity and measure these dimensions systematically and precisely usually with detailed numerical tabulations (Babbie, 1983). The aim is to identify relevant variables and how

they relate to each other. Benchmark surveys, however, seek neither to test these relationships nor to answer hypotheses. Nevertheless the results of this survey will make it possible to test hypotheses that may arise during the later stages of the study.

The REME Benchmark study focuses on the profiles of recipient institutions (i.e., their background, objectives, activities, services rendered, target beneficiaries and, administrative and management structures) and generation of beneficiaries profiles (i.e. their socio-economic and demographic characteristics, household structure and needs, structure and diversity of business activities and, importantly, views on institutional performance and suggestions for improvement).

Furthermore, a number of works justify benchmark surveys on the basis that they establish a data base for providing information for future evaluation and impact assessment. Previous studies (for instance, Casely and Kumar, 1989 and Blayney and Otero, 1985) have used such surveys to generate data on the situation prior to the intervention which then provides a basis for comparison with the situation after the intervention. On this basis, the project is assessed against the stated objectives and target beneficiaries as either being a success or failure or, more realistically, as a success or failure to a particular extent (Feder and Slade 1985, Ashe 1985).

Besides, it has been argued that benchmark surveys help expose both the internal and external constraints and provide information that can be used to compare, rank and select appropriate modes of intervention including packaging, delivery and management. It is on the basis of these views that the group formulated the

methodology stated below.

3.2 Data collection

3.2.1 Organisation of the study

Business development services projects were classified into five clusters according to the following criteria:

- Similarities of activities and services provided;
- Size of the project; and
- Uniqueness of the activities and services rendered.

This report, however, deals only with the second cluster, which included technology based projects.

3.2.2. Sampling Strategy for Technology Based Projects.

It is noted that the projects with country-wide coverage such as ApproTEC and Artisan Trust Africa call for sampling. The information available for ApproTEC projects indicate their geographical distribution as being in Nairobi, Karatina and Kisumu. Artisan Trust Africa also offers training services to clients who come from all parts of the country, although the majority come from Nairobi and its environs. It is, therefore, only KICK which had its major activities concentrated in a limited geographical area within Kisumu town.

It was observed that there are several appropriate sampling methods for observed geographical distribution of technology-based projects. However, due to time constraints and other field logistics during the time of this survey, (i.e. national parliamentary elections

which were going on and the *El nino* rains which had rendered some areas inaccessible), the group agreed in principle that purposive sampling strategy would be the best option to enable areas with more activities and greater accessibility to be covered within the shortest time possible. In the end, the approach was applied only to the ApproTEC project and was used first to select the geographical coverage and second to modify the client sample. All the three of ApproTEC's geographical areas were visited. These are Nairobi, Western Kenya and Mount Kenya region served by the Nairobi, Kisumu and Karatina offices, respectively. Within each area beneficiaries were systematically selected from at least three different districts. In the cases of Western Kenya and Mt.Kenya region, the resulting lists were then modified to replace clients who would be especially difficult to reach in the bad weather conditions. In total, 28 beneficiaries were interviewed. Unlike ApproTEC, KICK and Artisan Trust Africa have one establishment each. KICK's establishment is based in Kisumu town and all the beneficiaries are located in the town. In total they numbered 35. The Team attempted to interview all of them, but was able to reach only 30. On the other hand, the Artisan Trust Africa's establishment is based in Nairobi. All the four beneficiaries based in Nairobi were interviewed. Most of its beneficiaries in different parts of the country could not be reached.

3.2.3 *Types and sources of data*

- The main data items collected were of two broad categories. The first was the profile of the recipient institutions. Data were generated on aims, length and breadth of the programme; brief background of the institution; organisation, different services

offered, number of clients in each, zones of operation, and number of branches. The second was clients' profiles which generated data on wealth status, business type, other business activities, employment, incomes, sex, education, age, location, business and other assets.

- Secondary data was obtained from project papers, e.g. project documents and policy and research documents. Primary data was based on field activities including interviews and discussions with project management, beneficiaries and other key informants.

3.3 Timing and Methods of data collection

Data was collected between late November 1997 and the end of January 1998. Interviews and direct observation were the main methods of data collection. Interviews were held with project management, project employees, beneficiaries (consumers) of products and services users, and key informants, e.g. stakeholders within the project environment who were not direct beneficiaries but were interested in the project impact. Such secondary stakeholders included provincial administrators and heads of relevant institutions within the project environment e.g. NGO representatives. Interviews were also conducted with donor representatives.Direct observation was used within and around the project which helped to cross check impressions from other sources of information.

Interview guide and questionnaires were used to collect data from the main respondents, i.e. project management, employees and

beneficiaries. Checklists were used for key informants.

3.4 Limitations of the Study

Due to differences in organisational structure, the information obtained varied considerably. The problems encountered were failure to get full information from some clients and projects. In addition, field problems reinforced the need to use purposive sampling which also has its limitations.

4.0. OVERALL FINDINGS

Technology-based projects have similar institutional aims and objectives. All aim at promoting economic growth and stimulating employment generation by focusing on the SMEs sector. In order to achieve these noble goals and objectives, they engage in similar activities and projects such as technical training, marketing technology development and technology research.

Their institutional structure and organisation are also similar in the context of gender composition and decision making process. With the exception of KICK, their geographical coverage is nationwide. These technology-based projects are experiencing financial constraints and have supplemented DFID funding with financial support from other non-DFID institutions. This development has reinforced the need for projects diversification.

Majority of beneficiaries of technology-based projects are men. Their ages however vary significantly though the majority are in the cohorts aged 20-50 years. These beneficiaries are married and the proportion of divorced and separated persons is relatively low. In addition, majority of beneficiaries had secondary education distributed as 39.3% for ApproTEC and 50% for KICK. The proportion of beneficiaries with technical skills vary significantly as only 25% had such skills in ApproTEC compared to 90% for KICK.

The major area of difference among these organisations is in data storage and management. ApproTEC has a sound system of data collection, storage and dissemination, while KICK was just trying to put in place a system of record keeping at the time of this study.

Artisan Trust Africa also had an underdeveloped system of data collection and storage.

Although KICK has been restructed into independent entities namely Ziwa Creations Ltd and KICK, the other technology-based organisations have a highly centralised system of management which is controlled by the Nairobi office. Unlike both KICK and Artisan Trust Africa which are relatively small organisations, ApproTEC has well established branches in Nyanza and Central provinces.

Furthermore, ApproTEC had its beneficiaries more diversified in their activities compared to both KICK and Artisan Trust Africa. About 32% of ApproTEC beneficiaries were in trade and 21% in crop farming, whereas 39% kept livestock and 4% were fish farmers. Very few beneficiaries of technology-based projects receive supplementary funding from other organisations. For example, 18% of ApproTEC beneficiaries received support from non-DFID organisations compared to 16.7% for KICK.

It should also be emphasised that the beneficiaries of technology-based projects receive modest income. For ApproTEC the majority were in the range of Kshs.10,000-50,000 annually, for KICK Kshs.80,000-90,000 per year and for Artisan Trust Africa Kshs. 60,000-100,000 per year. Note that in all cases organisational activities tend to concentrate in urban areas at the expense of rural areas.

PART II: PROJECT PROFILES

5.0 APPROTEC

5.1 ApproTEC Institutional Profile

5.1.1 Objectives

ApproTEC was started in July 1991 with the main objectives as:

- Economic growth; and
- Employment generation.

The supporting activities ApproTEC is involved in are:

- Market research;
- Technology development;
- Technical training; and
- Marketing/promotion.

The strategies for achieving these objectives are:

- Focus on MSE sector as the target group;
- Identification of constraints to growth;
- Removal of the constraints by designing new technology; and
- Promotion/marketing of new opportunities to entrepreneurs.

Notwithstanding the distinct nature of these objectives, because of the nature of the operations the institution has adopted, it is not possible to apportion monetary resources and time devoted to address these issues on an individual basis. These objectives are being addressed and strategies and activities being undertaken concurrently in the course of running the entire institutional operation. In addition, the objectives have remained the same since the establishment of ApproTEC.

5.1.2 Location and Branches

The head office of ApproTEC is in Nairobi. It is located in Sanoda House in the Kariobangi North Light Industries zone. The organisation runs two branch offices, located in Kisumu town in Nyanza province and in Karatina township in Central province. The Kisumu office was established in 1995 and the one in Karatina in 1997. Each project office has its own region of coverage. The Kisumu office serves the Western region and covers Nyanza and Western Provinces as well as part of the Rift-Valley Provinces. The Karatina office, however, serves the Mount Kenya region, covering mainly Central Province and, to some extent, Eastern Province.

Although ApproTEC is mandated to cover the whole country, currently it operated in six of the eight provinces in the country, namely:

- Central
- Western
- Nyanza
- Rift-Valley
- Nairobi, and
- Eastern.

Thus two provinces, i.e. Coast and North-Eastern, are currently not covered. But it has been indicated by the ApproTEC management that pumps, presses and other ApproTEC technologies can be found in North-Eastern and Coast provinces as well as in other East and Southern Africa countries besides Kenya.

5.1.3 Organisational Structure

The organisational structure of ApproTEC is shown in Table 1. The staff are classified as management and technical (including promotion, support, and others). Within the management level are senior staff involved in policy formulation. The technical group consists of professionals who implement policies. On the other hand, secretaries, watchmen and messengers are classified as support staff.

Out of a total staff membership of 47, eight (19%) are in the management positions. Out of these, seven (87.5%) are males, leaving the females to account for only 12.5% of employees falling under this category. The technical staff category accounts for 22 persons, representing about 47% of the total staff. With these figures, the technical staff represent the largest category of employees within the organisational structure of ApproTEC. In terms of distribution by sex, males again represent the majority of employees (86.4%) in the technical positions in the institution.

There are 11 support staff, constituting about 23.4% of the employees in the institution. But unlike the in two previous cases, females form the majority of workers within this category. Finally, unclassified workers account for only 13%, again with females accounting for the majority of the workers (66.7%) in this category.

Table 1: Organisational Structure of ApproTEC by Sex of Staff

Staff Category	Number of Staff				
	Male	%	Female	%	Total
Management	7	87.5	1	12.5	8
Technical/Promotion	19	86.4	3	13.6	22
Support Staff	3	27.3	8	72.7	11
Others	4	66.7	2	33.3	6
Total	33	70.2	14	29.8	47

The scenario which emerges from the analysis of the organisational structure of ApproTEC has three main dimensions. The first is that the institution is technical skill intensive as the majority of staff (45%) fall within the technical skill category. The second is that males do not only dominate positions where policy formulation and implementation are carried out, they also form the majority (70.2%) of the entire manpower within the institution. The third is that the institution depends only on a few unclassified workers.

5.1.4 Services Rendered

ApproTEC has concentrated on offering four services since its inception in 1991. These services are:

- Training;
- Marketing;

- Product design and development; and
- Information dissemination.

All these services have been rendered concurrently for a period of 7 years, running from 1991 to 1997.

5.1.5 DFID Projects

It has been established from ApproTEC's document that the organisation has had a long standing relationship with DFID dating back to July 1991 when DFID (then ODA) availed about Kshs. 28.6 million to support its establishment. This support ran from July 1991 to June 1995. Between September, 1994 and August, 1995 DFID supported ApproTEC involvements at shows and exhibitions with about Kshs.1.5 million to promote ApproTEC's designed technologies.

Currently, ApproTEC is implementing three DFID-funded activities and projects as shown in table 2. These are: Pedal Pump Project, Core Programmes and AKILI.

(a) Pedal Pump

The Pedal Pump Project was started in August 1996 and ended in July 1998. The main objectives of the project are indicated in table 2. Basically the project was intended to:

- Increase household income; and
- Establish a local sub-sector to manufacture and dis tribute pumps.

The project set targets relating to its objectives and attendant activities. They included:

- Sale of 2,500 pumps within the project period; and
- 20% increase in household income within 18 months of pump purchase.

The project was allocated Ksh. 24.2 million (B£ 249.00) over the whole period of its operation. Its implemetation is concentrated mainly in five provinces; namely: Central, Nyanza, Rift-Valley, and Western. The project had benefited over 500 people within the first three months of its inception. However, when interviewed in late 1997 the management of the project contended that the number of beneficiaries was many times larger than this figure, although they were not able to provide the actual figures.

(b) Core Programme

The core programme has been in place since 1991 and is expected to be permanent. However, the DFID support to the programme was scheduled to run from April 1996 to March 2001. The main objective of the programme is to provide supporting services to ApproTEC's activities. In this connection, the activities of the programme cover the following:

- Strategic planning and fund raising;
- Market research;
- Technology design and development;
- Training of manufacturing and engineering companies;
- Production of ApproTEC technologies;
- Information dissemination;
- Impact monitoring; and
- Design, co-ordination, and marketing/promotion.

The total budget of the Core Programme is about Kshs. 113.5 million (B£1.17 million). However, DFID's contribution to this is expected to be Kshs. 46.8 million (B£482,000).

(c) AKILI

AKILI is the acronym for Advancing Kenyan Industries through Local Innovation, an effort that began in 1995 as a two-year project funded by DFID and the European Union. With initial funding of K.shs. 18.4 million, the project had three objectives (see table 2):

- Alleviation of poverty;
- Increased opportunities for productive employ ment; and
- Promotion of local innovation.

ApproTEC collaborated with APT (a British NGO involved in small enterprise development) on action research to identify cost-effective methodologies for stimulating the growth of existing micro and small enterprises. Project staff provide selected entrepreneurs in Nairobi with short interactive training courses and other inputs aimed at improving product design, marketing and costing, and at upgrading product-specific technical skills. The project's target was to assist 150 client businesses (of which 30% are headed by women) to grow by at least 25%. Approximately 68 business owners, both men and women, benefited during the first phase of the project. The second phase was funded by the European Union, the UK National Rotary Charitable Fund, and Terra Nuova, but not DFID. The project focused on product development, upgrading of craft skills, and improving business management. It also maintained its gender dimension, whereby project staff actively sought out women for craft training.

Table 2: ApproTEC's On-going DFID Projects

Project	Objectives	Amount involved	Province Covered	Period of Operation	No. of Beneficiaries
Pedal Pump	. Increase household income . Establishment of Local Sub-sector Manufacturing, Selling and Distributing the pumps	Kshs. 24.2 Million or B$ 24800	. Central . Nyanza . Western . Rift Valley . Eastern	Aug. 1996-Jul. 1998	over 2000
Core Programme	. Provision of supporting services to ApproTEC activities	Total: Kshs 113.5 million or B$ 1.17 million From DFID: Kshs 46.8 million B$ 482,000	National	Apr. 1996-Mar. 2001	Many
AKILI	. Alleviation of poverty . Increased opportunities for productive employment . Promotion of local innovation	Kshs. 18.4 million	Nairobi	Apr. 1995-June 1997	68 males and females

5.1.6 Non-DFID Projects

Currently ApproTEC is involved in two main non-DFID projects, namely: Oil Press and Micro-PED (see Table 3).

(a) Oil Press

The oil press project was sponsored by the Royal Netherlands Embassy in Nairobi. The main objective of the project was job creation. The other objective was enterprise development. In order to meet these objectives the following targets were set:

- Sales of 750 oil press units;
- Creation of 600 active businesses; and
- Creation of 1800 new jobs.

Its main activity was the promotion and dissemination of the press technology in Western Kenya where it covered Western and Nyanza provinces. Furthermore, in order to achieve its objective, the project trained manufacturers of oil press. The project was started in January, 1995 and ended in 1997. The budget for this project was Kshs. 29 million. According to ApproTEC (1997), the following had been realized within the first two years of implementation:

- 4 manufacturers trained;
- 6 retailers selling presses;
- Over 550 presses sold;
- Over 1,350 new jobs in oil pressing business;
- Over 3,000 new jobs in related activities;
- Increased sunflower cultivation; and
- Improved nutrition.

From the number of sales in record it was estimated that 688 end users would benefit through the project.

b) Micro-PED

The Micro Private Enterprise Development (Micro-PED) project is sponsored by USAID. Its main objectives are small scale enterprise (business) development and job creation. The target, in view of these objectives, is:

- Creation of 4,000 new small scale enterprises ; and
- Creation of 5,200 new jobs.

This project is concentrated in the Mt. Kenya region covering Central and Eastern Provinces. The project was started in March 1997 and is expected to continue up to August 2000. The budget allocated for this project was about Kshs. 75 million.

Micro-PED has been involved in a number of sectors undertaking various activities. These sectors include:

- Oil seeds processing where it is promoting the establishment of small-scale enterprises in the production and processing of oilseeds in Embu, Laikipia and Nyandarua districts;
- Micro-irrigation for commercial agriculture where it is involved in the promotion of the use of low cost manually operated suction pumps; and
- Small-scale hay-baling, where the focus is on the development and promotion of a semi-mechanised hay-baling technology to boost the animal-feeds business sub-sector.

From the sales of pedal pumps and oil press it is estimated that 715 end-users have benefited from this project.

Table 3: ApproTEC's On-going Non-DFID Projects

Project	Objectives	Funding Agents	Amount Involved	Period	No. of Beneficiaries
Oil Press	. Job Creation . Enterprise development	Netherlands	Kshs. 30 million	Jan.1995 Oct. 1997	688
Microped	. Job Creation . Small Scale business development	USAID	Kshs. 75 million	Mr. 1997 - Aug. 2000	715 No recored

5.2 ApproTEC Beneficiary Profile

We define a beneficiary here as the end-user of the pedal pump technology. The Business Development (BDS) group of the REME decided to analyse a number of key socio-economic characteristics of the beneficiaries surveyed. These are:

- Age,
- Sex,
- Marital status,
- Household size,
- Education,
- Training skills, and
- Wealth status.

5.2.1 Sex

The analysis shows that majority of the respondents were male. They represented about 61% while 39% were female.

5.2.2 Age

The age distribution of the beneficiaries interviewed is presented on Table 4. As the table shows, the range of beneficiaries' age is fairly wide -- between 20 years and 68 years -- with about 7% falling within 20 years and only about 4 % falling on the upper end of the range. The average age of the sample is 40 years with a mode of 38 years which represents the ages of about 14% of the sample.

On the basis of 5/6 year age range, the analysis indicates that about 14% of the beneficiaries were aged 20-24 years; 3.6% aged 25-29; 21% aged 30-35 years; 29% aged 36-40 years; 4% aged 41-45 years; 7% aged 46-50 years, 7% aged 51-55 years; and 10% above 55 years.

Table 4: Age of ApproTEC Beneficiaries

Age	No. of Benficiaries	Percentage
20	2	7.1
22	1	3.6
23	1	3.6
25	1	3.6
32	2	7.1
34	1	3.6
35	3	10.7
37	1	3.6
38	4	14.3
39	2	7.1
40	1	3.6
41	1	3.6
50	1	3.6
51	1	3.6
52	1	3.6
60	2	7.1
68	1	3.6
Total	28	100

5.2.3 Marital Status

The analysis of the survey suggests that the pedal pump is intensively used by the married people who represent about 86% of the sample (see table 5). Only 7% of the beneficiaries are single and another 7% widowed. On the other hand, it was found that none of the beneficiaries interviewed was divorced.

Table 5: Marital Status

	No. of Beneficiaries	Percent
Married	24	85.8
Single	2	7.1
Widowed	2	7.1
Divorced	0	0.0
Total	28	100.0

5.3 Household Size and Composition

5.3.1 Household Size

Household size distribution is found on Table 6. The household size of the sample interviewed ranged between 1 and 22 members with about 7% falling on the lowest end of the range and about 4% on the highest end. Average household size was 7 members. Most beneficiaries have a household size of 6, which represents 18% of the sample.

Table 6: Household Size of ApproTEC Clients

No. of Household Members	No. of Beneficiaries	Percentage
1	1	3.6
2	1	3.6
3	2	7.1
4	4	14.3
5	4	14.3
6	5	17.9
7	2	7.1
8	1	3.6
9	3	10.7
12	3	10.7
14	1	3.6
22	1	3.6
Total	28	100

5.3.2 Sex distribution

The number of males in the households of the sample ranged between 1 and 9 with an average of 4 males. 18% of the sample fall on the lowest end of the range and 4%, on the highest end.

Female distribution remains fairly wide, ranging from 1 to 14 per household. The average is 4 females per household for the sampled households. 20% of the sample had 1 female member and only 4 % had 14 female members.

5.3.3 Household Education

The number of household members with primary school education ranged between 1 and 16 with about 18% of the sample having the smallest number of members and 4% having the highest number. The average number of household members with primary education is 5. Specifically, it is found that most beneficiaries (18%) had only 1 household member with primary education. Those members with secondary school education ranged from 1 to 5 per household sampled, with about 21% having one member and only 4% having 5 members. The average number of members per household sampled with secondary education remains 2. The majority (75%) have no member of the households with post-secondary education. In other words, only 25% of the households covered has at least one member who pursued his/her education up to the university and other institutions of higher learning.

5.4 Socio-Economic Characteristics of ApproTEC Beneficiaries

5.4.1 Education of Beneficiaries

Table 7 shows the distribution of the beneficiaries interviewed by educational levels. It is noted that the majority (96%) of the sample have had some kind of formal education, with the distribution as follows: 11% having lower primary education; 27.0% for upper primary education; 39.3% for secondary education, 14.3% for A level education and finally only 3% having university education. It is observed that most beneficiaries had secondary education.

Table 7: Educational Level of ApproTEC Beneficiaries

Level	No. of Interviewed Beneficiaries	Percent
Lower Primary	3	10.7
Upper Primary	8	28.6
Secondary	11	39.3
A-Level	4	14.3
University	1	3.6
Non-Formal	1	3.6
Total	28	100

On the other hand, with respect to the training, it has been found that over 50% of the interviewed beneficiaries have had no formal training (see Table 8). About 7% had business management training; 10% professional training; 25%' technical training; and only 4% had informal training. Of the trained people, those with diploma and certificates represented the majority (61.5%). Only 4% of the sample had benefited from university training. The duration of training ranged from 1 to 6 years, with the majority (18%) having training for 2 years. The average number of years of training remains 2.5 years.

Table 8: Type of Training Received by ApproTEC Beneficiaries

Type of Training	No. of Interviewed Beneficiaries	Percent
Business Management	2	7.1
Professional Training	3	10.7
Technical Training	7	25.0
Informal Training	1	3.6
No. Training	15	53.6
Total	28	100.0

5.4.2 Beneficiaries' Income

The indicative income ranges of the respondents' who were mainly heads of households are shown in the table 9a. So most of the respondent (46%) enjoy an annual income of Kshs.10,000 - 50,000, whereas 32% receive Kshs. 50,000 - 200,000, 11% enjoy less than Kshs. 10,000 . On the other hand, only about 10% had more than 200,000 Kshs. p.a.

About 69% (table 9b) of the beneficiaries interviewed have no source of supplementary income, whereas about 21% have their income supplemented by their spouses. Only 7% have their income supplemented by their children.

Table 9a Respondent's Income

Range	No. of Interviewed Beneficiaries	Percent
Less than Kshs. 10,000	3	10.7
10,000-50,000	13	46.4
50,000-200,000	9	32.1
More than 200,000	3	10.7
Total	28	100.0

Table 9b: Source of Supplementary Income

Sources	No. of Interviewed Beneficiaries	Percent
Spouses	6	21.4
Children	2	7.1
Others	1	3.6
None	19	67.9
Total	28	100.0

5.4.3 Wealth Status

Land acreage, main crops grown, livestock kept and type of building owned were used to assess the beneficiaries' wealth

status.

(a) Landed property

Most beneficiaries (43%) had 1-2 acres; about 18% had 3-4 acres; another 18% had 5-9 acres; and about 14% owned 10 acres and above. 7% of the sample interviewed had no land at all. This group used the pump for other purposes such as pumping water.

(b) Main crops

Majority of those interviewed i.e. about 68% grow food crops and only 29% grow cash crops. The food crops grown are mainly maize, beans and vegetables, whereas coffee is the main cash crop grown.

(c) Type of Building/housing owned

About 22% of the beneficiaries interviewed own stone wall and iron roof type of houses with about 18% having 1 unit of such structures and only 4% having 2 units of this kind of housing. About 50% of the sample own 1 unit of mud wall and iron roof type of houses. On the other hand, only about 7% own 1 unit of brick wall and iron roof structure.

Other types of housing in the survey included mud wall and grass roof as well as timber wall and iron roof. In these categories, about 29% beneficiaries have 1 unit of mud wall and grass roof housing whereas 14% of the sample had 3 units of timber wall and iron roof housing.

(d) Livestock

The kinds of livestock being kept by the beneficiaries interviewed are: pigs, cows, goats and chicken.

(i) Cows

Cows are one type of the livestock being kept by most of the beneficiaries interviewed. About 61% of the beneficiaries keep them. The number of cows kept per beneficiary ranged between 1 and 8 with an average of 3 cows per beneficiary. But most beneficiaries (about 18%) keep only 1 cow whereas only 4% have 8 cows.

(ii) Goats

Goats are kept by about 39% beneficiaries interviewed, with the number of the animal kept ranging between 2 and 15 goats per beneficiaries with most beneficiaries (14%) keeping 2 goats. The average number of goats kept by the sample was 5 goats per beneficiary.

(iii) Chicken

Finally, chicken are the livestock kept by the majority (about 82%) of the beneficiaries interviewed. The number ranges between 1 and 300 with an average of 23 chicken. But the number kept per beneficiary surveyed was 6 chicken.

5.5 Business Characteristics

The beneficiaries engage themselves in a variety of business activities which include:

- Artisan,
- Trading,

- Crop farming
- Livestock Farming, and
- Fishing.

5.5.1 Artisan

Out of a sample of 28 beneficiaries interviewed, only one beneficiaries is engaged in artisan business. He has operated this business for the last 29 years. The business employs a maximum of 4 family members (1 male and 3 females) and has 4 females as hired labour. The artisan derives a net income of about Kshs. 8,000 p.a. from his business. However, he runs this business on a part-time basis as he devotes only an average of 5 hours per day for 6 days in a week.

5.5.2 Trading

About 32% of the beneficiaries interviewed are engaged in trading with their period of involvement in it varying from 1 year to 30 years. It has been found that the average duration of trade is 12 years. About 21% of the sampled beneficiaries operated the business by themselves. About 4% involve 4 males in form of family labour. The number of female family members in trade ranges from 1 to 2. For hired male labour, the number ranged from 1 to 5 men with an average of 3 men per business. Only 4% hired one female labourer. In general, the business involved men ranging from 1 to 5 and female labour ranging from 1 to 2 in number.

The average annual income from this business ranged from Kshs.

1,440 to 240,000, with about 4% earning Kshs. 1,440 p.a and another 4% earning about Kshs. 200,000 p.a.

Time devoted for this activity ranged from 4 hours to 12 hours a day. About 7% of the beneficiaries interviewed run the business for 4 hours a day and about 4% do it for 12 hours. Most beneficiaries (10.7%) devoted 8 hours each day to their business. The average number of hours devoted to trade each day is 7.

The number of days per week devoted to this business varies from 2 to 7 days with about 7% spending 2 days a week and about 7% working throughout the week. Most beneficiaries (11%) engaged in this business activity operate it for 6 days a week. The average number of days spent for this business is 5 days.

5.5.3 Crop Farming

Crop farming is a widely practised business activity among the interviewed beneficiaries. It attracts about 86% of the sample. The duration of involvement in this activity varies from 2 to 35 years. The interviewed beneficiaries had been engaged in crop farming for an average of 9 years.

Only 21% operate crop farming alone without involving any family or hired labour. In the remaining cases the number of male family members involved in the farming ranges from 1 to 6 with 2 being the average number of male-labour per activity. Most of the beneficiaries (35.7%) involved only 1 male family labourer and only 4% involved 6 male family labour.

On the other hand, female family members involved range from 1 to 4 with 2 as the average number of female labourers. The largest number (29%) used only 1 female family member and only 3.6% employed 4 female family members.

The number of hired male labourers per beneficiary ranges from 1 to 8 with most beneficiaries (29%) hiring only 2 labourers. The average number of hired male labourers is two. On the other hand, the number of hired female labourers ranges from 1 to 10 with an average of 4 female labourers per beneficiary.

Overall, crop farming business involves an average of 3 males and 3 females and the number of male labourers involved ranges from 1 to 9 whereas the number of female labourers involved ranges from 1 to 10.

Regarding the income, the annual income generated by crop farming for the sample interviewed ranges from Kshs. 3,300 to Kshs. 206,400. Only 4% have an annual income of Kshs. 3,300 p.a with another 4% with an average annual income of Kshs. 206,400 p.a. The mean annual income of those beneficiaries in this business is Ksh. 40,080 and the mode is 60,000. The number of hours devoted to this business on a daily basis is quite varied, ranging from 2 to 10 hours. The average number of hours devoted to this business is 6 hours with the largest number of beneficiaries (32%) devoting only 5 hours each day to farming. The number of days per week spent in crop farming also varied, ranging from 2 to

7 days with about 4% spending only 2 days and another 4% spending 7 days. Most beneficiaries (64%) spent 6 days on this activity. Overall, the average number of days spent in crop farming is 6 days.

5.5.4 Livestock

In all, about 39% of the beneficiaries interviewed are engaged in livestock farming. The period during which the beneficiaries have been engaged in this business ranges from 1 to 47 years. Of the number interviewed, only 4% had been in the business for 1 year whereas about 4% were in it for 47 years. Twelve years is the average duration for which the interviewed beneficiaries have been involved in livestock farming.

Only 14% of the interviewed beneficiaries employed their own labour. The remaining 86% engage either family or hired labour. The number of male family members involved in livestock business ranges from 1 to 6 with three being the average number of male members. The majority (i.e. 7%), employed 1 male family member. The number of hired male labourers ranged from 1 to 4 with 18% of the beneficiaries hiring only 1 male labourer whereas only 4% hired 4 male labourers. Only 4% hired female labour in the business. In general, livestock business engaged a total number of male labourers ranging from 1 to 6; the average being 3. The number of the total females involved ranges from 1 to 4; the average being 2.

The average annual income for the livestock farming ranges from

Kshs. 7,200 to 116,400 with about 7% beneficiaries enjoying an average annual income of Kshs. 7,200 and only 4% enjoying Kshs. 116,400. The highest proportion of beneficiaries (14.0%) has an average annual income ranging between Ksh. 7,200 and Ksh. 10,000. The mean income of the beneficiaries involved in this business is Kshs. 29,420 p.a.

The number of hours devoted each day to this activity ranges from 2 to 10 hours. About 11% of the beneficiaries devoted 2 hours each day to the activity and only 4% devoted 10 hours. The highest proportion of beneficiaries interviewed devote 5 hours per day to livestock farming.

On the other hand, 14% of the beneficiaries engage in livestock keeping for 6 days and about 25% for 7 days a week.

5.5.5 Fishing

Only one (4%) of the beneficiaries interviewed was engaged in fishing. This respondent had worked in fishing for one year. He had four male workers, but no female workers or family members assisting him. He said that the business runs for ten hours per day, five days per week. The respondent reported an annual net income of Kshs.5,000 per year.

5.6 Assistance Received

The major assistance which has been received by the beneficiaries from DFID project is in the areas of technology and training. All (100%) of the sample interviewed have received technology

assistance, and only 18% have received training assistance from the project. The period during which the beneficiaries have been in the DFID project varies from less than 1 year to 2 years. However, it is important to note that the majority of the beneficiaries (68%) have been in the project for less than one year.

No beneficiary has received any assistance -- financial, advisory, marketing, information business support, sign posting, or business linkage -- from the DFID project. It is noted, however, that the provision of these services, though necessary for improved project performance, are outside the DFID project mandate.

Only 18% of the beneficiaries interviewed benefited from non-DFID projects in form of training and financial assistance. This was mainly in Kajulu location, Kisumu district in Nyanza Province where an NGO called Teenage Mothers Association of Kenya (TEMAK) trained local small scale farmers and advanced a loan of Kshs.3,700 to purchase the pedal pump for the groups formed by the small scale farmers in the region. Repayment was derived from the group's sale of farm output. The NGO also gave seeds and chemical assistance to the farmers. The assistance applied mainly during 1997.

5.7 Project Performance

In the survey 50% of the beneficiaries interviewed saw the need for an improvement in the quality of the technology of the pump to suit local needs. According to the respondents, due to the nature of the technology, the pump can only be used in level grounds. This

implies that it cannot be efficiently used in rugged landscape prevalent in places like Rift Valley. The pedal pump being a suction pump and not a pressure pump, can only irrigate limited acreage of land. The major weakness observed is the inability of the pump to lift water to higher elevation reservoirs from where irrigation by gravity can be adopted.

Another issue which emerged from the interviews is the promotional and marketing aspects of the technology. About 7% of the sample interviewed saw the need to create mass awareness on its use and benefits to the clients. The majority of the sample became aware of the technology through either newspaper advertisements or demonstrations. A few knew about the existence of the technology through their friends and relatives. In other words, the majority of the sample did not seem to have benefited from the promotional initiatives being undertaken by the project in local language radio broadcasts.

Although the provision of credits is not within the project's current mandate, about 36% of the beneficiaries interviewed viewed a loan programme as a necessity which should accompany the scheme of providing the technology. From the survey, it is clear that most beneficiaries (57%) had an annual income of less than Kshs. 50,000 p.a. with a significant proportion (11%) of the beneficiaries having annual income below Kshs.10,000. This implies that most beneficiaries would not easily afford the technology from their incomes.

5.8 Summary and Conclusions

5.8.1 Summary of the Major Findings

ApproTEC's objectives have remained the same since its inception in 1991. They are broadly stated as economic growth and employment creation, with back-up activities in the areas of:

- Business training,
- Marketing,
- Technology development, and
- Technology dissemination.

The institution has established a head office in Nairobi which takes care of the management and coordination of its activities nationwide. However, it has two project offices in Kisumu and Karatina which take care of project implementation in the Western and Central parts of Kenya respectively. Although the institution is mandated to cover all provinces in the country, its involvements in North Eastern and Coast provinces are not comparable to those in the remaining five provinces in the country. The existence of ApproTEC technologies in these two provinces could not be confirmed because of the geographical limitations of the survey.

The manpower of ApproTEC tend to be technical skill intensive as the technically skilled staff tend to dominate the institution's human capital structure. Furthermore, male workers form the majority of the staff and account for about 70% of the total institutional labour force.

Although DFID was one of the major supporting organisations with a history of support dating back to the time of inception of the organisation, currently ApproTEC activities are not confined to the implementation of DFID projects only. They cover two non-DFID projects; namely, Oil Press and Micro-PED which are sponsored by The Royal Netherlands Embassy and USAID respectively. However, the organisation is involved in implementing two DFID supported project; i.e., the Pedal Pump and AKILI with the last being funded jointly with the European Union. Furthermore, DFID supports the institution's core programme, which was established to manage and co-ordinate the activities of ApproTEC.

It has also been found that the beneficiaries of these projects have varied socio-economic characteristics. The majority of them (61%) are men. Their ages vary quite widely from 20 to 69 years, with the majority falling within the 36-40 years age bracket. Moreover, the majority of the beneficiaries interviewed (86%), are married people. Furthermore, their household sizes also vary widely (between 1 and 22). The majority of the beneficiaries have some form of formal education. With respect to income, the majority (46%) earn between Kshs. 10,000 and Ksh. 50,000 per year. The beneficiaries tend to engage in a variety of business activities, with crop farming being the most widely practised business.

Finally, the survey found that the assistance which the

beneficiaries have obtained from DFID projects is limited to dissemination of technology and training. In addition, most beneficiaries (82%) have not received assistance from any other programmes. The only farming related assistance recorded was from TEMAK in Kisumu.

5.3.2 Implications of the Findings

Given the wide mandated geographical coverage of the project, it seems that the two project offices are not adequate to serve the provinces. This means that the stipulated objectives cannot be realised to the optimum. Furthermore, in some cases, these offices are too far away from the beneficiaries. It therefore becomes expensive in terms of money and time for such beneficiaries to seek advisory or any other assistance from the institution. There is, therefore, a need for the head office to establish more project offices nationwide.

The emphasis on sales and the tendency to use them as a measure of success of the project may be misleading . This practice may mar the issue of socio-economic implications of the project which seem to be the overall concern of DFID.

It is worth noting that low income characteristics of the target group would require that some loan programme be put in place to enable the majority of the beneficiaries to acquire the technology. The implication of lack of such programme is that the technology would not be easily affordable by the target group.

It is noted that the promotion of the project is done through the advertisements in the daily newspapers. However this method of promoting the project may not benefit the rural folks because most of them may not have access to the new papers. This is due to two major reasons; first is the inability to purchase the papers. Secondly, the papers are rarely delivered to remote rural areas. Moreover, on the basis of the responses by interviewed beneficiaries, it seems that the promotional initiatives made through local language radio broadcasts do not reach the majority of potential target group.

5.8.3 Conclusions

ApproTEC has a mandate to cover the whole country but it operates mainly in six of the country's eight provinces. It has its head office in Nairobi and two other project offices in Kisumu and Karatina. Thus, because of the location of the project offices, ApproTEC activities are mainly concentrated in Western and Central parts of the country with the highest concentration in two districts; i.e. Kisumu and Nyeri.

There seems to be an over emphasis on the sales as an aspect of the Pedal Pump Project objectives as opposed to the socio-economic performance aspects. The assumption that the high sales are directly linked to the good socio-economic performance may not be correct. It is also important to note that a number of beneficiaries interviewed bought the pump during the period of *El Nino* rains (late 1997 - early 1998) and have not, therefore, used the machine long enough to realise its full benefits. This has resulted

in a situation characterised by constraints inherent in the technology as mentioned by most beneficiaries. Finally, another fact which has emerged is that most beneficiaries are not poor people. For example, except in some cases whereby farmers had to pull together their resources so as to afford the pump, most of the beneficiaries interviewed earn more than Kshs.10,000 p.a with a notably high proportion (32.1%) earning between Kshs.50,000 - 200,000 p.a. This observation becomes vital if the fundamental understanding is that the BASE projects should address poverty alleviation.

6.0 KICK

6.1 KICK Institutional Profile

6.1.1.History

Kisumu Innovation Centre, Kenya (KICK), is a registered non-profit making and Non-governmental Organisation (NGO), limited by guarantee. It is a pilot project in Kenya which aims at assisting Jua-Kali artisans and small and micro-enterprises (MSEs) in Western Kenya through the provision of non-financial support services such as product development and marketing assistance (KICK, 1997a). It has been observed that the problems faced by the Jua Kali artisans are many. For example, lack of exposure to different markets, lack of products diversity, poor product quality and technical expertise and lack of access to desirable information, right technology and right markets, to mention a few. The idea of launching KICK was not new, but reflected the non-financial needs that the Jua kali artisans engaged

in different business activities have expressed.

The origins of the Kisumu Innovation Centre, Kenya (KICK) is traceable to the needs assessment survey carried out by a VSO volunteer among the Jua-kali entrepreneurs in Kisumu between November 1991 and April 1992. This survey revealed that the artisans lacked formal business knowledge and training, which was perceived to be a major constraint in the performance and growth of MSE (KICK, 1997b).

In March 1993, with funding from VSO, a pilot training programme was conducted among artisans to address some of their problems. Subsequently, VSO forwarded a request to the Department for International Development (DFID) to fund a major training programme designated as Business Improvement Programme (BIP) which trained 556 entrepreneurs. In addition, 724 extension visits were made between June 1993 and April 1994.

The BIP activities generated interest among Jua-Kali artisans who requested more support. Further discussions with them led to the proposal for the establishment of KICK as a business one-stop shop for the delivery of non-financial support services to these enterprises. BASE, therefore, undertook to finance the programme activities such as product design, export linkages, marketing advice, training and consultancy, counselling, signposting and office support services to small scale business (KICK, 1997b).

KICK was later officially launched on 4th May, 1994 and was registered as an NGO on 10th December, 1994. However, by 1996 KICK faced problems in respect to the clarity of its role, working culture, impact and capacity. A mid-term review towards the end of 1996 recommended that KICK be split into two separate entities, namely, ZIWA Creations Ltd - a business focussing on marketing, (i.e. buying and selling products from Jua-kali artisans), and an NGO focussing on different ways of providing business development services on a sustainable basis to the same enterprises.

6.1.2 Mission and Objectives

When it was established in 1993, Kisumu Innovation Centre, Kenya (KICK) had three objectives, namely: business training, business support and marketing, and product development. Business training was launched with capital investment of Kshs. 178,058 per year and it consumed on average 10% of the institutional time allocation. In addition, business support had financial outlay of Kshs. 206,913 per year and took almost 20% of the institution's time allocation. Marketing and products development had the lion's share of the institutional resources with an investment of Kshs. 1,063, 211 annually and 70% of the institution's time allocation.

With time, the institution in alliance with its donor, the DFID, expanded the original objectives of the organisation to emphasise product development, business training, marketing, business

support and information dissemination. At the time of the survey, it was not possible to disaggregate financial and time allocation to these objectives.

The major reasons for changing the institution's objectives were that the organisation had two "conflicting missions", namely, commercial interests and developmental goals. In addition, there was need to make its marketing services commercially viable and sustainable.

KICK's current mission is "to contribute to the economic development of MSEs in Western Kenya through the creation and delivery of innovative business development services on a sustainable basis and promoting the appropriate replication of these in other agencies".

In order to achieve its main aim of providing a one-stop business shop in Kisumu Town for the delivery of non-financial support services to Jua Kali Artisans, KICK has several specific objectives, namely: increasing off-farm employment and self-employment opportunities, increasing productive capacity, and increasing incomes for SMEs and their employees in Western Kenya.

These objectives are realised through several activities, namely: product design and development, marketing assistance, business skills training, technical skills training, business counselling, office support services, sign posting, networking and a resource facility.

The Organisation is implementing its new objectives by offering relevant services. It has offered training for the last four years and business support services, marketing services, products design and development, and information dissemination for three years.

6.1.3 Organisational Structure

KICK is a registered Non-Governmental Organization (No. 403) limited by guarantee and having no share capital. There are currently four board members who subscribe to KICK's Constitution. The Board of Directors has been selected from the local community of Jua Kali artisans to oversee the centre's operation. It is expected that the number will increase to 10. Two of the current board members are chairmen of the two largest Jua Kali associations in Kisumu Town.

Kisumu Town has six Jua Kali associations; namely: Kisumu Centre, Kibuye, Nyalenda, Kondele, Manyatta and Otonglo Jua Kali Associations. However, the active ones are Kisumu Centre and Kibuye Jua Kali Associations. These two main associations have their Chairmen as Directors of KICK.

In 1991 there were about 1000 Jua Kali artisans in Kisumu Town. Today there are 2,300 enterprises employing over 18,000 people within the Jua Kali sector. These artisans cover a wide range of manufacturing and service industries.

KICK's head office is located in Kisumu Town, Nyanza Province.

The organisation has an inverted organisational structure which focuses on a strong team headed by a Managing Director who works as the team leader.

KICK has three permanent staff (two males and one female), and Ziwa Creations Ltd. which is headed by a female, has four permanent staff and one employee on contract. In all, the organisation has a skeleton of only eleven persons.

6.1.4 Geographical Coverage

KICK was initially mandated to cover Nyanza Province in Kenya. However, due to the demand for its services, its activities have extended to parts of Western and Rift Valley Provinces. This geographical spread was in response to the demand for its training services as well as product development activities.

6.1.5 Operational Successes

KICK records indicate the following as areas of success:

(a) Product design and development programmes
(b) Participation in a number of shows and exhibitions
(c) Skills training courses (see the List of Appendix 1)
(d) Securing orders to manufacture 500 metal and 100 wooden shoeshine stools from KIWI Brands Ltd as well as another order from SPRED project to manufacture 12,000 metal boxes.
(e) Collaboration with other agencies, such as ILO/FIT to promote educational tours and exchange programmes for artisans.

(f) Raised support from the local community and the Ministry of Research Technical Training and Technology.

6.1.6 KICK's DFID-Funded Projects

KICK had two projects funded by DFID. The "Support for KICK" project launched in 1995 was projected to end in 1998. It was an investment involving Kshs. 11,728,318. The project had a multiplicity of objectives that included increased off-farm employment, business training, business support, marketing, business counselling services and information dissemination.

The second project designated "Restructuring KICK" began in 1997 and was also projected to end in 1998. This particular project was funded to the tune of Kshs. 2,994,500. It aimed at splitting KICK into two organisations.

In summary, DFID provided the two projects with funds worth Kshs. 14,722,818. These funds were used also in institutional manpower development and remuneration that covered two males and one female management staff, two males and one female in the technical cadre, one male and one female support staff and one male and three females in the other categories.

It should be observed that while KICK's management and institutional structure is gender sensitive (i.e. it caters for both groups), in their field operations this important factor is lost because KICK beneficiaries are mostly men while ZIWA Creations Ltd. has mostly women.

6.1.7 Non-DfID Funded Projects

KICK has projects funded by several other donors. It is evident from Table 10 that KICK has not deviated from its initial objectives even when funded by other organisations.

Table 10: Non - DFID Projects Executed by KICK

Project Name	Completed		Funding Agent	Amount of Funding (Kshs.)	Province Covered	Number of Beneficiaries	
	Year started	Year completed				Males	Females
Business Development	1994	1994	ILO/ FIT	369,442	Nyanza Nairobi	20	1
Marketing	1997	1997	ILO INTERCOP UNDP	Not stated Not stated Not stated	Nyanza	1	0
Technology Dissemination	1995	1997	ILO and FIT IRBD	418090 32700	Nyanza Nyanza	12	0
Sign Posting and Business Linkages	1995	1995	Kenya Gatsby Charitable Trust	151450	Nyanza	2	1
On-Going							
Business Training Credit	1996 1996	- -	SITE SAGA	Not stated 66,000	Nyanza Nyanza	Not stated	Not stated

Key:

SITE = Strengthening Informal Sector Training and Enterprises.

FIT = Farm Implement and Tools

INTERCORP = Inter-cooperative to Support Export Marketing

6.1.8 Future Plans

From 1998 KICK was to be restructured and relaunched as a business development service (BDS) innovation organisation (KICK, 1997b). It had first to develop innovative approaches to provide BDS to MSEs and disseminate and replicate the successful ones. It had also to offer capacity building assistance to enable Jua Kali businesses respond to market opportunities in Western Kenya.

The completed projects took between 1 and 2 years and involved modest funding that ranged between Kshs 32,700 and 418,090. Funding came mostly from UN agencies and International Non-governmental Organisations (NGOs). With reference to the on-going projects, the activities are confined to Nyanza Province and again demonstrate that KICK's clients are mostly men.

6.2 Demographic and socio-economic characteristics of the beneficiaries

6.2.1 Age-sex Characteristics

The age-sex distribution exhibited by Table 11 shows that from a sample of 30 beneficiaries, 28 (93.3%) were males and only 2(6.7%) were females. This suggested that the nature of Jua Kali enterprises which KICK supported were either gender specific or gender biased. This sample covered mostly those who had worked with KICK for only one year. These were people who qualified to be designated as clients. However, during the last six months those who were associated with KICK have been mostly women who benefit from Ziwa Creations Ltd.

Table 11:Age-Sex Distribution of Beneficiaries

Age-group in years	Total Population Sampled	Percent of Total	Total Males	Percent of Total	Total Females	Percent of Total
Under 20	1	3.3	1	3.3	0	0.00
20 - 24	6	20.0	6	20.0	0	0.00
25 - 29	7	23.3	6	20.0	1	3.33
30 - 34	11	36.7	10	33.3	1	3.33
35 -39	2	6.7	2	6.7	0	0.00
40 - 44	2	6.7	2	6.7	0	0.00
45 - 49	0	0.00	0	0.00	0	0.00
50 - 54	1	3.3	1	3.3	0	0.00
Total	30	100.0	28	93.3	2	6.66

Furthermore, KICK's beneficiaries who have been with the organisation for one or more years are largely young adult males, though there is a negligible proportion of females and teenagers. The analysis reveals that the average age of the sample population was 29 years with a modal cohort of 30 years having only 5 beneficiaries, who constituted 16.7% of all beneficiaries. The young adults aged 20 - 34 years were 26 (86.7%) compared to those under 20 years (3.3%) and none sampled aged above 55 years, which is the retirement age for civil service. The initial activities that KICK supported tended to fall within the domain of male dominated occupations; for example, carpentry, metal work,

tinsmithing, etc. With the emphasis on water hyacinth control and Ziwa activities, the presence of women is now significant.

6.2.2 Marital Status

The majority of the sampled beneficiaries 24(80.0%) were married, and only 4 (13.3%) were single. The only 2 females (6.7%) were divorced. There were no widowed respondents.

6.2.3 Clients' Origin

The majority are from Nyanza Province and only one respondent came from the neighbouring Western Province. Furthermore, the majority of the beneficiaries hailed from Kisumu District 14(46.7%) and Siaya District 11(36.7%), while the other districts, namely, Kakamega, Homa-Bay, Migori, Vihiga and Rachuonyo had one respondent each.

6.2.4 Educational Level and Training Skills

With reference to formal education as portrayed by Table 12, about 15 (50%) of the beneficiaries had secondary education (Form I-IV), while 10 (33.3%) had upper primary education (Std 5-8) and only 3(10.0%) had "A"-level education. Note that the beneficiaries with primary education was the smallest group. In addition, the majority 27(90.0%) had technical training skills.

Table 12: Educational Attainment and Training Skills

Educational Level	Number	Percent of total
Lower Primary (Std. 1-4)	2	6.7
Upper Primary (Std. 5-8)	10	33.3
Secondary (Form 1-4)	15	50.0
"A" - Level	3	10.0
Total	30	100.0
Type of Training		
Business Management	2	6.7
Technical Training	27	90.0
Informal Training	1	3.3
Total	30	100.0

The type of training skills beneficiaries acquired could be broadly classified further into five major groups. The largest group consisted of those with production skills, i.e. carpenters, tailors and decorators who were 25 (83.3%). The second large group consisted of those with business management skills, viz. book-keeping, accounting, cost and pricing, management and marketing. Those with such training skills were 22 (73.3%). The third group consisted of those with technical skills, namely: electrical wiring 3(10.0%), mechanical engineering, i.e. welding, motor mechanic and plumbing 6(20.0%) while those with skills in metal-works i.e. tinsmith and blacksmith were only 8(26.7%). The smallest group consisted of those with information system skills, i.e. computer skills 1(3.3%), while the rest had other skills such as painting 3(10%). Note that the percentages add to over 100%

because some beneficiaries had more than one skill.

Most of the training skills were acquired during short-term training courses which lasted less than six months, 30 (100%). A large proportion of the business management skills were of this type. About 50% of the training skills took about 2 years to acquire, while 40% of the training skills took 1 year to complete. 16.7% of the training skills took 3 years to complete and skills requiring 4 to 5 years were relatively few constituting 6.7% of the total skills acquired. It should be noted that technical training on average took 1 to 2 years of training, while product development training required a much longer period, extending between 3 and 5 years.

KICK's beneficiaries had a very rich training background. A sizeable proportion of different skills (56.7%), were acquired through training programmes offered by KICK. Another 17(56.7%) of different skills were acquired through apprentices under different Jua Kali (informal) enterprises. Such skills acquired on-the-job somehow took a relatively much longer period because they were taken under enterprises. Note that most beneficiaries had more than one skill.

The Kenya Industrial Estates (KIE) also accounted for 3.3% of the different training skills acquired by KICK's beneficiaries. The rest of the skills were offered by different polytechnics of which the most important in the region are: Kisumu Polytechnic, Ramogi Institute of Advanced Technology (RIAT), Koru Polytechnic and Kericho Institute of Technology (KIT).

6.3 Household Size and Composition

The average household size for the 30 beneficiaries sampled was about 5.6 persons. This figure is slightly higher than the average household size of 4.5 persons for Kisumu District according to the 1989 population census. The high household size yields a dependency ratio of 82 dependants for every 100 active population. This dependency burden is attributed to the high proportion of children in the households as shown in Table 13.

The proportion of children aged 0-14 years in the households is about 39.1% of the total households population, while the very old population aged 60 years and above is about 5.9% of the total household population. In fact, the primary school age population (5-14 years old) constitute 32% of the total household population. The dependant population therefore exerts tremendous pressure on household resources.

Table 13 further reveals that the proportion of currently married population was 74 (43.8%) of the total household population compared to 80 (47.3%), who were single, 11(6.5%) divorced and about 4(2.4%) widowed. The proportion of polygamous unions was small. About 9 women (16.1%) out of 56 adult women aged over 15 years who were in the households reported to be in polygamous unions. Polygamy often creates unhealthy business climate in households because it generates competition for family resources.

Table 13: Household Composition by Age, Sex and Marital Status

Age group in years	Males	Females	Total Population of HHS	% of total HHS Population	Marital status			
					Married	Single	Divorced	Widowed
0-4	6	6	12	7.1	0	12	0	0
5-9	18	21	39	23.1	0	39	0	0
10-14	11	4	15	8.9	0	15	0	0
15-19	7	4	11	6.5	2	9	0	0
20-24	6	12	18	10.7	15	3	0	0
25-29	8	11	19	11.2	13	2	4	0
30-34	11	7	18	10.6	18	0	0	0
35-39	3	3	6	3.6	4	0	2	0
40-44	2	5	7	4.1	5	0	1	1
45-49	0	2	2	1.2	1	0	0	1
50-54	4	6	10	5.9	5	0	4	1
55-59	1	1	2	1.2	1	0	0	1
60+	5	5	10	5.9	10	0	0	0
Total	82	87	169	100.0	74	80	11	4

Key: HHs refers to households

The analysis of data regarding relationships in the beneficiaries households indicates that the majority of the household members belonged to the nuclear family which consists of the father, mother

and children. The population in this category is 139 (82.2%) of the total household population. In addition, other relatives in the household were mostly brothers, sisters and ageing parents. In majority of cases, the ageing parents were widowed. The population of relatives however was small, totalling 30 (17.8%) of the household members.

Reference to Table 14 on the educational attainment of household members reveals that there were no graduates. In fact, the proportion with post-form four education, particularly "A"-level education was extremely low numbering only 4 (2.4%), of the total household members. However, the proportion with upper primary education (Std. 5-8) was the highest constituting 54 members (32.0%). This category was followed by those with form four level education 47 (27.8%), while those with no formal education and lower primary (Std. 1-4) had 32 members each or 18.9% of the total household members.

Table 14: Educational Attainment of Household Members

Age Group in Years	Total Population of Households N(%)	No. formal Education N(%)	Lower Primary Std. 1-4 N (%)	Upper Primary Std. 5-8 N(%)	Secondary For 1-4 N(%)	"A" Level N(%)
0-4	12(7.1)	12(7.1)	0	0	0	0
5-9	39(23.1)	5(2.9)	21(12.4)	13(7.7)	0	0
10-14	15(8.9)	0	4(2.4)	10(5.9)	1(0.6)	0
15-19	11(6.5)	0	0	5(3.0)	6(3.6)	0
20-24	18(10.6)	0	0	8(4.7)	10(5.9)	0
25-29	19(11.2)	0	0	7(4.1)	10(5.9)	2(1.2)
30-34	18(10.6)	0	0	6(3.6)	11(6.5)	1(0.6)
35-39	6(3.6)	0	0	2(1.2)	3(1.8)	1(0.6)
40-44	7(4.1)	2(1.2)	1(0.6)	1(0.6)	3(1.8)	0
45-49	2(1.2)	1(0.6)	0	0	1(0.6)	0
50-54	10(5.9)	3(1.8)	3(1.8)	2(1.2)	2(1.2)	0
55-59	2(1.2)	2(1.2)	0	0	0	0
60+	10(5.9)	7(4.1)	3(1.8)	0	0	0
Total	N=169	32(18.9)	32(18.9)	54(32.0)	47(27.8)	4(2.4)

It should be emphasised that higher educational achievements coupled with technical skills provide greater opportunities for increased innovation and expansion of the Jua Kali sector as demonstrated by the experiences of the "Asian Tiger" communities.

The analysis of occupational data exhibits clear differences on gender basis (see table 15). While male adults, 28(16.6%), dominated technically related Jua Kali activities such as metal-work, tinsmith, mechanics and plumbing, to mention a few, females dominated business oriented activities such as hawking and tailoring among others. In the professional category, women dominated teaching. Note that women were also numerically prominent in other activities such as farming and domestic related work.

Table 15: Distribution of Household Members by Sex and Type of Occupation

Type of Occupation	Household Members N=169			
	Number of Males	% of * Total	Number of Females	% of * Total
Jua Kali Categories				
Motor mechanic, etc.	2	1.2	0	0.0
tinsmith	4	2.4	0	0.0
Metal work	7	4.1	0	0.0
Welding	2	1.2	0	0.0
Carpentry	4	2.4	2	1.2
Plumbing	1	0.6	0	0.0
Painting	3	1.8	0	0.0
Tailoring	1	0.6	3	1.8
Professional				
Teaching	0	0.0	3	1.8
Accounting/Auditing	1	0.6	0	0.0
Clerical	0	0.0	1	0.6
Others				
Business (trade)	0	0.0	5	2.9
Hawking	0	0.0	3	1.8
Farming	3	1.8	5	2.9
Domestic	0	0.0	3	1.8
Not Applicable	35	20.7	31	18.3
Not Stated	19	11.2	31	18.3
Total	82	48.5	87	51.5

Key:
(*) Percent of total household population.

The category of not applicable responses, i.e. 35(20.7%) for males and 31(18.3%) for females was constituted by children of the age 0-14 years of whom the majority were schooling. The other

category labelled as "not stated", however, relate to other adult relatives mostly brothers, sisters and ageing parents who were also mostly unemployed.

6.4 Wealth Status and Income Distribution

The analysis of wealth indices based on land property and type of residential building owned suggest that on average, KICK beneficiaries belong to the "upper" category of the low-income bracket of the labour force in Kenya. Although majority are urban residents who rent accommodation facilities, in their rural homes, they own parcels of land which are largely utilised for subsistence farming. About 8(26.7%)[1] of the 30 respondents had no land property at all. Another 10(33.3%) had 1-2 acres of land, while 7(23.3%) had 3-4 acres. Another 4(13.3%) had 5-9 acres and only 1 had over 10 acres. On average, these KICK's clients, had 2.82 acres of land for earning a livelihood.

A large proportion of land is for subsistence crops such as maize, millet, beans, groundnuts, potatoes, cassava, bananas and for pasture. In times of plenty, some of these food crops especially maize, beans and groundnuts are sold in the local market for supplementary income. Nevertheless, cultivation of cash-crops is rather limited as most respondents devoted less than 2 acres of land for cultivation of tea, tobacco, cotton and sugar-cane which are the only major cash-crops in the region.

Animal husbandry is also widely practised for subsistence. About 20 (66.7%) owned goats, though the majority had fewer than 5

goats each. In addition, 19(63.3%) owned cows for milk and their number was fewer than 6 cows per person. It is chicken which are kept in very large numbers. About 19(63.3%) reported to have 10-20 chicken, while the other domestic animals such as sheep, pigs, rabbits, ducks and donkeys are kept by very few persons indeed. Some respondents 13(43.3%) owned cats and dogs for security reasons and as domestic pets.

There is evidence that Jua Kali artisans earn modest income annually. Though income statistics are often plagued with errors of omission and commission due to various reasons, there is evidence that KICK's sampled clients earn on average Kshs. 112,387 per annum or Kshs. 9,366 per month. They reported gross annual income that ranged between Kshs. 24,000 and Kshs. 600,000 per year. Table 16, shows that 40% of the 30 respondents were earning less than Kshs. 70,000 per annum. The modal earning bracket with 6 respondents (20.0%) ranged between Kshs. 80,000 and Kshs. 90,000 annually. An additional 30% have incomes averaging over 100,000.

Furthermore, about 16 (53.3%) acknowledged receiving supplementary income from their spouses. Such income ranged between Kshs. 7,200 and Kshs. 120,000 per year with an average income of about Kshs. 2,691 per year. Only one respondent supplemented his income from the children's contribution with an amount of Kshs. 24,000 per year.

Table 16:Respondents' Annual Income in Kshs.

Income Category Per Year	Total Respondents	% of Total
Less than 30,000	2	6.7
30,000-39,999	3	10.0
40,000-49,999	3	10.0
50,000-59,999	1	3.3
60,000-69,999	3	10.0
70,000-79,999	0	0.0
80,000-89,999	6	20.0
90,000-99,999	2	6.7
100,000-109,999	1	3.3
110,000-119,999	0	0.0
120,000-129,999	4	13.3
130,000-139,999	0	0.0
140,000-149,999	0	0.0
150,000 +	5	16.7
Total	30	100.0

6.5. Business Characteristics

6.5.1 Business Age

The businesses were all owned by the beneficiaries. The average business age was 7.3 years with 3(10.0%) having existed for less than 1 year, 8(26.7%) for 1 - 4 years; 7(23.3%) 5 - 9 years, 9(30.0%) for 10-14 years 2(6.7%) for 15 - 19 years and only one for 22 years. The long life for these businesses probably indicates that business owners receive adequate income to sustain them

despite stiff competition. It should be stressed that the different types of businesses owned by the beneficiaries were not adequately captured by the survey instruments.

6.5.2 Labour Force

The 30 Jua-Kali artisans interviewed managed their own small scale enterprises. However, about 15(50%) recruited male family members to assist with non-management tasks and another 3(10%) engaged female family members. Only 6(20.0%) relied on hired male labourers to assist. In most cases, the family members who assisted were apprentices. The number of hired male employees ranged between 2 and 3 per enterprise. The mean working hours per day was about 10 hours for 6-7 days per week.

The artisans who supplemented their income by engaging in other business activities were few and numbered only 4(13.3%). For such enterprises, they relied only on female labour force from the family members who were their spouses. Only 2(6.7%) engaged hired male labour force. Business enterprises also worked on average 10 hours daily for 7 days per week.

Those who supplemented their income by engaging in crops/ livestock farming were also few. They numbered about 8(26.7%). All of them relied on hired male workers, 4(13.3%) and female workers, 3(10.0%). These helping hands worked daily for about 10 hours for 7 days a week.

6.5.3 Income Differentials by Type of Business

Table 17 on income earning by type of business activity reveals that Jua-kali artisans on average earned Kshs. 137,369 annually or Kshs. 11,448 per month. Furthermore, four respondents (13.3%) failed to state the income received from various small scale enterprises. Supplementary income business (trade) activities were significant averaging Kshs. 108,533 annually or Kshs. 9.044 per month. Income received from farming activities, i.e. crops and livestock husbandry was relatively low amounting to Kshs. 73,000 annually or Kshs. 6,000 per month. These figures, however, should be taken with caution as experience shows that majority of Kenyans never give accurate value of their income for fear of taxation. It is also important to stress that they do not keep regular records.

Table 17:Annual Income by Type of Business Activity

Income per year in Kshs	Type of Business Activity					
	Artisan		Business (Trade)		Farming	
	No.	%	No.	%	No.	%
0-49,999	4	13.3	1	3.3	3	10.0
50,000-99,999	12	40.0	3	10.0	0	0.0
100,000-149,999	4	13.3	0	0.0	1	3.3
150,000-199,999	1	3.3	1	3.3	1	3.3
200.000-249,999	1	3.3	0	0.0	0	0.0
250,000-299,999	0	0.0	1	3.3	0	0.0
300,000-349,999	1	3.3	0	0.0	0	0.0
350,000 and above	3	10.0	0	0.0	0	0.0
No Response	3	13.3	N/A	N/A	N/A	N/A
	X = 137,369 p.a. X = 11,448 p.m.		N = 30 X = 108,533 p.a. X = 9,044 p.m.		N = 30 X = 72,000 p.a. X = 6,000 p.m.	

KICK as a project funded by DFID gives a wide range of services to the Jua-Kali artisans as reflected in Table 18. Nearly 83.3% of the artisans received training on a wide range of subjects mostly products development, book-keeping and accounts, and marketing and business management among others. Equally important is assistance in marketing products from artisans (80.0%) and giving advisory services (70%) as well as assistance in product

development technology (66.7%). KICK's role in other services seems to be less important to MSEs.

Table 18: DFID: Project Assistance

Type of Assistance Received	Number of Respondents	% of Total Sampled
Training	25	83.3
Marketing Products	24	80.0
Advisory	21	70.0
Technology	20	66.7
Information Services	5	16.7
Business Linkages	2	6.7
Educational trips	1	3.3
Business Support	1	3.3
Employment	1	3.3
		N = 30

6.6 Links to KICK

Majority of artisans 9(30.0%) who receive support from KICK registered with the project. Another 7(23.3%) benefitted after KICK made orders for their products, while another 8 (26.7%) benefitted after KICK's recruitment and training programmes. Those who made personal initiative, or benefitted through a business partner were one in each category. There were four non-responses.

Contact with KICK, was made largely through KICK's own initiative of a recruitment process that involved 13 Artisans (43.3%). Six Artisans (20.%) made contact through business partners or friends, while KICK's training programmes involved another 4(13.3%). Some 4 respondents (13.3%), claimed that they registered as pioneers in KICK's development. The remaining artisans made contacts through KICK's exhibitions, family members and personal initiative.

On average KICK's beneficiaries have had contact with KICK for about three years. Majority of them 10(33.3%) have had contact for four years, another 8(26.7%) have associated with KICK for three years, while 7(23.3%) have been with KICK for two years. Only one beneficiary has had contact with KICK for 5 years and another one for only one year. About three respondents did not give information on this question.

Few artisans 5(16.7%) indicated receiving supplementary assistance from other projects. The assistance was received in the areas of training, finance, products development, and marketing and advisory services. The organisations giving supplementary aid were: Catholic Mission, CARE-Kenya, Kericho Institute of Technology, PRIDE-KENYA, KENGO, KIE, KEYO Women Group, and Intermediate Technology Transfer.

6.7 Artisans' Assessment of KICK

Majority of artisans are very happy with the support they receive from KICK. About 22 (73.3%) strongly feel that the project is

extremely important, supportive and helpful to them. Another 4(13.3%) perceive KICK as useful in creating awareness about new products. Only 3(10.0%) strongly feel that KICK should give financial assistance. These percentages do not add to 100% because some gave more than one view.

Artisans offered a member of suggestions for improvement. They felt strongly that KICK should do more in obtaining markets for Jua-Kali artisans (50.9%). A sizeable proportion (16.7%) want KICK to provide financial assistance in the form of soft-loans. The other views listed were only expressed by one person in each case, for example, ideas on new technology changes, KICK's quality control; officers becoming more accommodating; KICK opening more branches country-wide, having co-ordinators or supervisors to monitor quality control of Jua Kali products; bringing to a stop employing people trained by artisans as this has an impact on work performance the affected of enterprises affected, continuing to offer training courses and launching rural development enterprises.

In addition, a good proportion of artisans want KICK to organise more educational trips or exchange programmes to enable artisans exchange ideas and share experiences. Such programmes could be local and international. This proposal was made by 26.7% of the beneficiaries. Equally strong is the view that KICK should add in its mandate the responsibility of giving loans. This was suggested by 26.7% of the respondents. The suggestion that KICK should keep constant market orders from artisans was made by 13.3% of

the beneficiaries, while the need to employ field officers to supervise or inspect the quality of Jua-Kali products was made by only 6.7% of the sampled population. It was also observed that there was a need to: assist in getting raw materials for artisans, encourage innovation in products design to meet market demands, establish a workshop for demonstration, employ more staff at the headquarters to save time for the artisans who make visits to the office, allow artisans to buy shares in KICK and own it, rent more spacious business premises and train KICK officers to be more accommodating to the artisans.

7.0 ARTISAN TRUST

7.1 Background on Artisan Trust (Africa)

The Product Design and Development Centre was established by The Ministry of Planning and Economic Development, the United Nations Development Programme and the Artisan Trust. The project is involved in job creation and export programmes. It exists to serve the needs of small businesses involved in handcraft manufacture and development. It does this through designing products, developing new techniques in production, and organising training and management workshops and seminars. They have supported a number of producers. Currently these producers number thirty six in all. The project trains them to come to terms with the competitive world of export market.

7.2 Study area

Artisan Trust is located in Nairobi. The geographical area mostly covered is Nairobi, but Artisan Trust also has direct and indirect coverage of eastern and western parts of Kenya.

7.3 Profile of the Organisation

Artisan Trust is also now known as Product Design & Development Centre Kenya. Its director, Mr. Victor Lamont, has a clear vision of what PD and DC can achieve. Given support, he is capable of achieving PD and DC aims and objectives.

The centre is involved in job creation and export projects. It is also involved in business training, product design and design development projects. Artisan Trust has received funds from DFID and other donors such as GTZ.

Artisan Trust has supported a number of producers in coming to terms with the challenges of the export market. Up to now they have supported 36 producers. In this regard, Artisan has found that it is not easy to create jobs or increase exports. They have also not realised much success by emphasising on market-led products in some of their programmes. However, their current project is trying to correct this situation and, consequently, they have applied for more funds from DFID.

The philosophy of Artisan in the current economic situation is that unless we grasp the opportunities open via export, it will be extremely difficult to generate jobs within the economic context of Kenya. For example, Artisan pointed out that 500 million inhabitants in Africa south of the Sahara and excluding South Africa produce less than 10 million Belgians and export less than

5 million people in Hong Kong. It is Artisan's opinion that Africa should join the many emerging countries elsewhere in the world that are beginning to catch up with the West. Africa should not lag behind.

Therefore, the current role of the Product Design & Development Centre is to assist in the design of appropriate products for the local and export markets. Another role is to develop new manufacturing techniques and to create innovative management training programmes.

7.4 Profile of Respondents

A total of four beneficiaries were interviewed.The beneficiaries interviewed were all male and aged between 25 and 33. All were married except one who is single. The largest household size was 7 and the smallest 5. All the beneficiaries had attained high school level of education. All had been trained in technical institutions after completing high school education. The income for the respondents was between Kshs.60,000 and Kshs. 100,000 p.a. Supplementary income for the respondents came from their spouses and stood at Kshs.36,000 for the lowest and Kshs.50,000 for the highest.

The average landed property is 3.5 acres. All the respondents have put buildings at their rural homes. The roof type is iron. Each respondent has one unit.

The livestock kept include goats, pigs, cows and chicken and they are kept in small scale for subsistence.

7.5 Business Characteristics

All the respondents work full time in their businesses and the manpower involved is mainly the respondent and family members who were male in all cases. The businesses are small and not yet fully established.

Artisan Trust strategies attempt to provide the necessary incentives and support for sustainable development by assisting with technology transfer. This is because it is imperative that beneficiaries be provided with the know-how on the use of appropriate machinery, skills, techniques, tools, procedures, equipment, standards and criteria.

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APPENDIX 1: KICK TRAINING DEPARTMENT YEAR 1995

Month	Venue	Course	No. Of Participants
Jan. 1995	Homabay (KNUT HALL)	Business Management	11
Jan. 1995	KICK (Training Room)	Costing & Pricing	10
Mar. 1995	Chemelil	Business Management	36
Jan. - March, 1995	KICK	BBK Consultancy	11
May 1995	Muhoroni	Business Management	35
May 1995	Homa-bay (KNUT HALL)	Business Management	24
July 1995	Masita (Bondo)	Group Dynamics	40
July 1995	Homa-bay (KNUT HALL)	Business Management	31
Apr. - July 1995 KICK	KICK	BBK Consultancy	3
Oct. 1995	Masita (Bondo)	Business Management	45
Sept. - Dec. 1995	KICK	BBK Consultancy	1
Total (MSEs) Trained			**232**
Total BBK Con. Trained			**15**
Total Trained			**247**

YEAR 1996

Month	Venue	Course	No of Participants
Jan. 1996	Kisumu (Mlimani Resort)	Marketing & Sales	15
May 1996	Kabras (Kakamega)	Group dynamics	30
June 1996	Homa-bay	Business Management	46
June 1996	Homa-bay	Training of trainers (TOT)	4
Jan.-Aug. 1996	KICK	BBK Consultancy	2
Aug. 1996	Masita (Bondo)	Business Management	35
Aug. 1996	Kendu-bay	Business Management	30
Nov. 1996	Kabras (Kakamega)	Business Management	36
Sept. - Dec. 1996	KICK	BBK Consultancy	1
	SITE/KICK	Technical Skills Training	35
Total (MSEs) Trained			**231**
Total BBK Con. Trained			**3**
Total Trained			**234**

APPENDIX 2: SURVEY QUESTIONNAIRE

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:_____ 1 = male
2 = female

Sex: _____

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
Madrasa _____ 3
Lower primary (1-4) _____ 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

Household 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 _____
- Brick wall + 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 p.a.		

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 projects apart from this one? (DFID) Code: Yes = 1 No = 2

Yes ( )

No ( )

26. If "yes" provide 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

27. What are your views about this project? (DFID)

_____

28. Any suggestion (s) for improvement?

_____

29. Do you have any other information you want to share?

_____

_____