IBM Corporate Service Corps Program

Kenya Team 8: Sub-Team 4

Nairobi, May 2014

Women Enterprise Fund

Empowering women through leveraging partnerships and pathways for high value ventures for women entrepreneurship

Project Report

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Table of Contents

1. Introduction 4
   1.1 About the Women Enterprise Fund 4
   1.2 About the IBM Corporate Service Corps 4
   1.3 About Digital Opportunity Trust 5
2. Executive Summary 5
3. Project Overview 6
   3.1 Strategic Objectives of WEF 6
   3.2 General SOW Challenges to be addressed 7
   3.3 Proposed Tasks 7
4. Project Planning 8
   4.1 Defining Scope 8
   4.2 Work Plan Definition 8
5. Requirements Analysis & Data Gathering 9
   5.1 Data Analysis 9
6. Approach 10
   6.1 Framework for Analysis 10
      6.1.1 Core Business Processes of WEF 10
      6.1.2 Mapping Core Business to Strategic Objectives 11
      6.1.3 Focus Areas within each Business Area 11
7. Key Findings and Recommendations 12
   7.1 Overview 12
   7.2 Women Empowerment 12
   7.3 Leverage technology to improve data collection and reporting for strategic decision making 18
   7.4 Training and Capacity Building 19
      7.4.1 Free up WEFOs to focus on group formation and capacity building by establishing separate loan recovery team 19
      7.4.2 Partner to improve curriculum on enhanced business skills 22
      7.4.3 Assess, customize and prioritize current WEF training based on target audience 24
   7.5 Leveraging technology to improve service delivery 25

7.5.1 Prioritize using technology to get the loans out quicker 26
7.5.2 SMS communication with groups for repayment commitment 28
7.5.3 Create a framework across WEF for implementation of ICT requirements 30
7.6 Supporting market access and establishing industry linkages 31
7.6.1 Focus first on building women's capacity and supporting platforms to serve immediate markets 32
7.6.2 To deepen impact of market support efforts, selectively pursue partnerships with NGOs and larger enterprises 33
7.6.3 To leverage technology, use existing platforms rather than build your own, where women have products in sufficient quality and quantity 36
7.7 Long term recommendations 37
7.8 Monday morning action plan & follow-on actions 40
7.8.1 Women Empowerment 41
7.8.2 Capacity Building 41
7.8.3 Leverage Technology 42
7.8.4 Support Market Access 42
8. Appendix 43
Acknowledgements 43
Background Information References 43
Other Online References 44
Acronyms 44
End Notes 45

1. Introduction

1.1 About the Women Enterprise Fund

Women Enterprise Fund (www.wef.co.ke) established by the government in 2007 vide Legal Notice No 147 is a proactive government response to the dire challenges facing women of Kenya. These challenges are demonstrated by the glaring inequalities in the society. A case in point; by 2006 when the WEF was gazetted, women population was slightly over 50% yet the number in formal employment or in business was 12%. Similarly, at the time, women held 16% of the top positions in government but confined to the bottom ranks of the public service with 74% representation; in urban areas, the poverty rate among women stood at 46 % compared to 30 % among men (Kenya vision 2030 Oct 2007). Such disparity was notable in other spheres in the society and WEF was one-step towards addressing the inequality based on the premise that by empowering women, we empower the family and the nation.

1.2 About the IBM Corporate Service Corps

The IBM Corporate Service Corps was launched in 2008 to help provide IBMers with high quality leadership development while delivering high quality problem solving for communities and organizations in emerging markets. The program empowers IBM employees as global citizens by sending groups of 10 – 15 individuals from different countries with a range of skills to an emerging market for four week community-based assignments. During the assignment, participants perform community-driven economic development projects working at the intersection of business, technology, and society.

This program increases IBM's understanding and appreciation of growth markets while creating global leaders who are culturally aware and possess advanced teaching skills. The Corporate Service Corps offers a triple benefit: leadership development for the IBMers, leadership training and development for the communities, and greater knowledge and enhanced reputation in the growth markets for IBM. Since its launch in 2008, the Corporate Service Corps has had a positive impact of the lives of more the 140,000 people through skills transfer and capacity building. Many thousands more have been positively impacted through the services of the organizations the Corporate Service Corps has supported.

The Corporate Service Corps program has sent over 2400 participants on over 200 teams to more than 30 countries around the world. The participants come from over 50 countries and have served communities in Argentina, Brazil, Cambodia, Chile, China, Colombia, Egypt, Ethiopia, Ghana, India, Indonesia, Kazakhstan, Kenya, Malaysia, Mexico, Morocco, Nigeria, Peru, the Philippines, Poland, Romania, Russia, Senegal, South Africa, Sri Lanka, Taiwan, Tanzania, Thailand, Tunisia, Turkey, Vietnam, UAE and Ukraine. The program continues to expand to new locations each year.

More information about the program is available here:

http://www.ibm.com/ibm/responsibility/corporateservicecorps/

1.3 About Digital Opportunity Trust

Digital Opportunity Trust (DOT) (www.dotrust.org) is an implementation partner for IBM's CSC/ESC program operating in 11 countries worldwide. In Kenya, DOT successfully piloted the first CSC team in September 2010. DOT is working with the Kenya government to define the areas of focus and develop SOWs; additionally DOT is responsible for all logistical details relating to the in-country experience and ensures that IBM leaders are supported throughout their in-country placement.

2. Executive Summary

Women Enterprise Fund is a proactive government response to the dire challenges facing women of Kenya. These challenges are demonstrated by the glaring inequalities in the society. WEF defined the first planning cycle in its first strategic plan 2009-2012. The first Strategic Plan laid a firm foundation for the institution as the foremost public agency in the promotion of gender equality and women empowerment in Kenya. With this foundation laid, WEF is looking to even more growth and this is the hallmark of its second strategic plan. The strategic plan 2014-2018 now in draft form sets out to build on the success and propel WEF towards realizing its vision.

The SoW asked the CSC team to enrich the draft strategic plan in the following spaces:

- Strategic objective (ii) address pathways to high value women ventures, framework for new mutually beneficial partnerships for resources to sustainably support this direction, explore ways to engage SME Toolkit for continuous learning and sharing.
- Strategic objective (iii) WEF information flow from the grassroots to the top and top down as well as horizontal with a view of proposing a framework of a dashboard that benefits from current information technologies including mobile phones prevalent among women beneficiaries, cloud computing, and crowd sourcing. The team will also review best practice among similar funds on effective delivery of service.
- Strategic objective (iv) explore ways for women entrepreneurship – industry linkages.

The initial review meetings, stakeholder interviews, and research helped us identify some key challenges that WEF is currently facing. The fund is targeted at reaching out to all the non-employed Kenyan women above the age of 18. The current coverage is about 800.000 inception-to-date loans. WEF faces a backlog of the loan request processing and is making efforts to implement IT solutions to speed up the process. WEF also wants to probe areas where it can be of support to the women beneficiaries and

identify suitable markets for them, thus enabling them to invest in income generating businesses and thereby repay the loans subsequently. WEF targets to increase the repayment rate of 89% to 92% and reduce the portfolio at risk / zero-payment loans.

Overall recommendations include:

- Define "Women Empowerment" to realign the internal business operations and to measure WEF's success with the intention to use identified KPIs for impact analyses.
- Focus on WEF's core strengths, work with partners for everything else. This applies to the capacity building (training, debt collection) and to other areas like marketing support for the women groups.
- Leverage technology to improve data collection and reporting to improve strategic decision making. WEF has a clear path towards the realization of the Kenya Vision 2030.

By employing the recommended ways to measure Women Empowerment and reflecting it with relevant KPIs, WEF will be better able to assess the impact and scale of its functions. Further, as a next step WEF can consider streamlining the organization to the agreed business model with the focus on sustainability of the fund as a social enterprise in the long term, especially in the light of the planned merge with the other government funds such as the YEDF and Uwezo Fund.

3. Project Overview

WEF defined the first planning cycle in its first strategic plan 2009-2012. The first Strategic Plan laid a firm foundation for the institution as the foremost public agency in the promotion of gender equality and women empowerment in Kenya. With this foundation laid, WEF is looking to even more growth and this is the hallmark of its second strategic plan. The strategic plan 2014-2018 now in draft form sets out to build on the success and propel WEF towards realizing its vision of '*An empowered Kenyan Woman who significantly and sustainably contributes to socio-economic development of the nation'.*

3.1 Strategic Objectives of WEF

WEF has set out certain strategic objectives to in line with this vision namely;

i. Provision of loans to women entrepreneurs
ii. Capacity building for women entrepreneurs, their organizations and the Fund
iii. Leverage on technology to achieve efficient and innovative service delivery
iv. Support women oriented micro, small and medium enterprises to develop linkages with large enterprises
v. Facilitate marketing of products and services of women enterprises in both domestic and international markets

vi. Enhance risk management and ensure strong operational processes, policies and procedures are adopted

These are the key focus areas for the next planning period and WEF is putting its effort to enrich and actualize these strategic objectives.

3.2 General SOW Challenges to be addressed

With the assistance of IBM CSC, the partnership will focus their attention and enrich the draft strategic plan in the following spaces:

- Strategic objective (ii) address pathways to high value women ventures, framework for new mutually beneficial partnerships for resources to sustainably support this direction, explore ways to engage SME Toolkit for continuous learning and sharing
- Strategic objective (iii) WEF information flow from the grassroots to the top and top down as well as horizontal with a view of proposing a framework of a dashboard that benefits from current information technologies including mobile phones prevalent among women beneficiaries, cloud computing, and crowd sourcing. The team will also review best practice among similar funds on effective delivery of service
- Strategic objective (iv) explore ways for women entrepreneurship - industry linkages

3.3 Proposed Tasks

In collaboration with WEF, the IBM CSC team will:

- Review the just ended strategic plan 2009 -2012, and draft strategic plan and collect additional material as a may be necessary for purposes of enriching the draft strategic plan to address the future growth of WEF. This data may be obtained through interviews, visits to WEF beneficiaries, or potential beneficiaries. The study will also consider how the Kenya SME Toolkit http://kenya.smetoolkit.org/kenya/en can be of value to empower the weak linkages.
- Propose a framework on pathways to high value women ventures, framework for new mutually beneficial partnerships for resources to sustainably support this direction, explore ways to engage SME Toolkit for continuous learning and sharing.
- Review WEF information flow from the grassroots to the top and top down as well as horizontal with a view of proposing framework of a dashboard that benefits from current information technologies including mobile phones prevalent among women beneficiaries, cloud computing, and crowd sourcing. The team will also review best practice among similar funds on effective delivery of service.
- Explore ways for women entrepreneurship - industry linkages.

- Extrapolate the findings and propose recommendations to enrich the strategic plan present a report to WEF.

4. Project Planning

4.1 Defining Scope

The Statement of Work for the Women Enterprise Fund project was received in early April. After initial discussions with the key stakeholders from WEF, the scope was streamlined and finally stabilized after the initial meeting with WEF in Nairobi. The agreed scope of the project was to focus on the three areas listed below:

- Capacity building for women entrepreneurs
- Leveraging technology to improve service delivery
- Support women by helping them establish linkages with large enterprises

4.2 Work Plan Definition

The high-level work plan consisted of three main phases:

- **Definition** – Identifying specific areas of focus as per the defined scope and aligning the work according to areas of expertise and experience amidst the team members.
- **Data Gathering and Analysis** – Based on the focus areas, a list of stakeholders was identified and subsequent interviews and meetings were set-up to understand the functioning of the organization, to understand the role of partners and to gather relevant information pertaining to our area of focus.
- **Consolidation** – Based on the data gathered, findings were consolidated to arrive at key findings in each area of focus. The recommendations were then drafted and mapped to the key findings.

A snapshot of the project work plan is shown in the figure below:

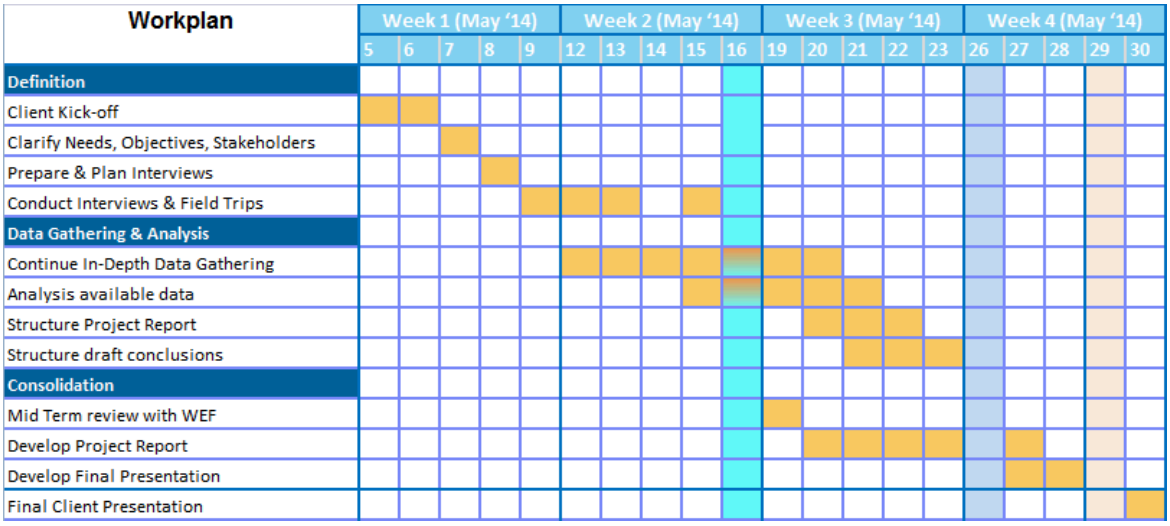

Fig 1: Project Work plan

5. Requirements Analysis & Data Gathering

5.1 Data Analysis

The Requirement Analysis and Data Gathering phase began with reviewing the WEF documents and artefacts. This was followed by individual interviews with the internal departments, external stakeholders, partners and beneficiaries. These were the primary sources of data and helped us align and understand the strategic objectives thereby streamlining our research. Below is a list of stakeholders we interviewed

- WEF internal interviews
  - Partnerships
  - Marketing
  - ICT plus demo on BR
  - Credit plus extra session with Credit Collection
  - Finance & Administration
  - HR
  - Audit
  - Regional Officer
  - WEF Officers
- Interviews with external stakeholders
  - ILO
  - Hand-in-Hand
  - Field trip to 4 women groups
- Documentation / other sources

- WEF website
- WEF Training material
- WEF Reports and other WEF material
- Coca-Cola brochure
- ILO and Hand in Hand curriculum and documentation

6. Approach

This section explains in detail our approach to streamline the findings, map the core business of WEF to its strategic objectives and thereby align the recommendations based on the mapping.

6.1 Framework for Analysis

The overall vision of WEF is 'To socially and economically empower the Kenyan women entrepreneurs for economic development'. The vision is driven by six core mandates or strategic objectives laid out by WEF. And the expectation from the CSC Team was that we focus on the three important strategic objectives that ultimately contribute to achieving the broader vision. A systematic approach focused on outcomes was required to create buy-in from WEF and answer the questions and concerns raised by them over the course of the engagement. Basing our work plan on the Framework of Analysis mentioned in the previous section, we tried to adhere to the Issue Based Consulting Framework while proposing the key recommendations.

6.1.1 Core Business Processes of WEF

After initial analysis and understanding of the business operations of WEF, it was identified that the three core areas of business for WEF are

- Building Capacity – Formation of Groups, training and capacity building of women entrepreneurs
- Lending & Collecting – Lending the loan products of WEF and ensuring the loans are repaid
- Supporting Market Access – Supporting the women to market the women's products

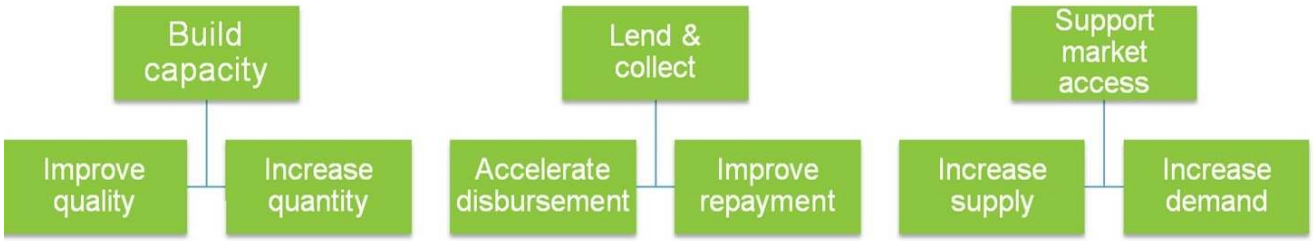

Fig 2: Core Business Areas

6.1.2 Mapping Core Business to Strategic Objectives

Post identifying the core areas, there was a need to map them to the core mandates or the strategic objectives listed in the scope of the project. Classifying further, we tried to appropriately fit the core business area underneath each of the three strategic objectives as shown in the figure below:

Fig 3: Strategic Objectives – Core Area Mapping

6.1.3 Focus Areas within each Business Area

The classification mentioned in the previous section helped drill down to identify the key issues within each core business function. The recommendations proposed in the subsequent sections are inline with this classification.

- Building Capacity – Formation of Groups, training and capacity building of women entrepreneurs
  - Improve Quality: Aimed at improving the quality of both content and delivery
  - Increase Quantity: Continuing to increase the outreach and scale of WEF operations
- Lending & Collecting – Lending the loan products of WEF and ensuring the loans are repaid
  - Accelerate Disbursement: Need for speeding up the loan application and issue process
  - Improve Repayment: Ensure that the money lent is repaid in time for further rotation
- Supporting Market Access – Supporting the women to market the women's products
  - Increase Supply: Support women groups so that they could increase the supply of their products either by themselves or by collective pooling of products
  - Increase Demand: Increase the demand for the products by establishing potential linkages with large enterprises and industries wherever possible

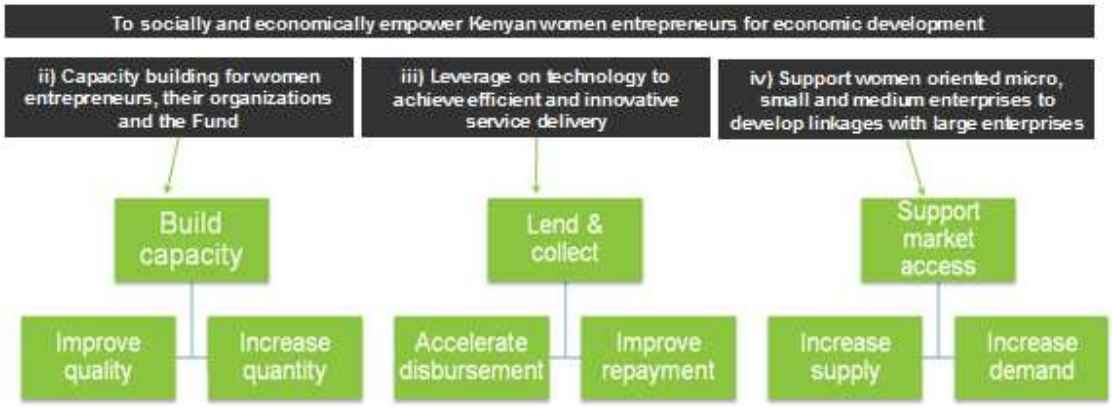

Fig 4: Focus Areas within each Core Area

7. Key Findings and Recommendations

7.1 Overview

'You cannot climb a tree from the top'. WEFs main reason for existence is the ability to help women create (micro) businesses with small loans to get them started. Once the basic training is provided and the first loan check has been handed over, the woman can start and grow her enterprise. A second or even third loan will drive the growth of her business until she can switch to the commercial banks for regular loans – independent of her husband or organizations as WEF.

In this section our key findings will be described for each of the four main areas followed by the recommendations:

1. Women Empowerment
2. Capacity Building
3. Leveraging Technology to improve the Loan Process
4. Supporting access to Markets

7.2 Women Empowerment

Key Findings: WEFs vision states "When you empower a Woman, You empower a Family and a whole Nation". But while reading the draft strategic plan, the question arose: what is empowerment and how can WEF measure the success of its program?

As documented, the fund trains many women and gives them loans either directly or via FI/MFIs.

The total inception-to-date figures are:

- ± 800,000 beneficiaries were provided a loan

- Equal number of beneficiaries were trained

These metrics are very output-centric and do not take the outcome of the training and loans into account, which is all about the way the women improved their way of living. How do you measure the value of a woman not being dependent for money and food?
Once the understanding of Women Empowerment and the related key metrics (KPIs) are defined for WEF, analysis can be done to determine how well WEF has implemented programs to support this definition. Data is crucial and during the interviews, we learned about the projects already underway to improve data quality in Bankers Realm and other initiatives for improving the overall organizational effectiveness.

Approach/Analysis Empowerment

Empowerment has many aspects:

- Financially Independent → Income and Saving
- Increased Quality of Life → Education level of the children, increased health
- Other definitions → with other indicators

Below a summary is given of information found from benchmarking other sources for their definition of empowerment. References to the sources are given in chapter 8.

First, let's start with the information from WEF's own website (http://www.wef.co.ke/):
According to a Baseline Survey on the Impact of Women Enterprise Fund on the Economic Empowerment of Women, March 2010, by the National Commission on Gender and Development, it shows that Women enterprise Fund has impacted positively in the lives of women. For instance it has led to:

- Improved incomes
- Enhanced and diversified business
- Increased access to other markets
- Ability to make independent decisions
- Access to extension services
- Impact on other stakeholders, (community) and the economy

Another internal source is the Rapid Assessment Report (2009) for WEF:
Page 4: "From that perspective, there is a politically sound rationale for the Government of Kenya to step in and correct market imperfections, for instance by applying a public good concept in microfinance. This rationale is subject to two conditions: that government involvement is exclusively focused on Kenyans that are clearly out of reach of formal financial institutions and that a professional and credible job is being done. The assessment was largely directed to investigate these two conditions."

Page 5: "They are not excluded, however, for reasons connected to the assumptions that are at the core of WEF design but for quite different reasons: lack of a documented business track record; lack of business licenses and registration; lack of sufficient collateral, etc. In fact, that is how MFIs appear to increase the threshold for access: insisting on documentation and conditions micro-entrepreneurs can not possibly meet and increasing opportunity costs by demanding a strong and lowly rewarded savings effort as pre-condition for accessing loans.

In more general terms: MFIs and banks appear to be rapidly turning their backs on micro-clients in favor of small and medium entrepreneurs, consumers and salaried workers that can more easily meet the various requirements and constitute less risk and higher profit potential. Against that background, the Ministry channel of the WEF is one of the few financial service providers for genuine micro clients left in the market. From a public good perspective it is facility that deserves further strengthening."

Looking at other reports and information on the internet, there seems to be a generic agreement that women's empowerment can be broken down into four dimensions: economic, social and cultural, legal, and political. The psychological empowerment can be found as the fifth dimension, but is listed less often.

Economic Empowerment: Having control over income and family resources, ownership of assets, opportunity for employment and access to markets and representation in economic decision-making roles. With economic empowerment, women can gain financial independence, enter the workforce, and have equal opportunity to gain positions of economic power.

Social and Cultural Empowerment: Absence of discrimination against females, control over their own bodies, freedom from sexual and domestic violence, having access to family planning services, greater visibility in social spaces and shifts in cultural norms that place women subservient to men. Social and cultural empowerment is essential to not only giving women control over their own bodies, but also providing them with education opportunities to better their lives.

Legal Empowerment: The framework for legislation that expands knowledge and awareness of legal rights. This will expand the opportunity for individuals to mobilize for increased women's rights laws, utilizing the judicial system to create reform from above.

Political Empowerment: Having the right vote, having knowledge of and the ability to be involved with the political system and being represented in local and national governments. Political empowerment creates female representation in the political system, while voting, lobbying and mobilizing empowers women to support policies and causes that they believe in.

Psychological Empowerment: self-worth and psychological happiness. Psychological empowerment comes with the acceptance of women's rights and their inclusion in society.

For WEF, the first two dimensions are most relevant and important. Therefore, let's check them in more detail:

Economic Empowerment

The programs for economic empowerment include: microfinance / loans with low interest rates given to target groups, business training, self-employment programs, enhancing "bargaining power" of communities, financial competency training, and community-based programs. This capacity building of individuals or communities will empower them to be able to participate in the economy through a small business or financial assistance and to take part in the market economy (Rowlands 1995). The main indicators could include income distribution, productivity contribution, labor/workforce composition. Data accuracy and reliability can be difficult due to the softer sides of these factors: non-monetary income, non-formal employments, and unpaid productivity.

Social & Cultural Empowerment

Regarding the educational view on empowerment, it should be noted that education equips girls and women with knowledge to make informed decisions about their everyday lives and to gain bargaining power. A mother's education influences her children more than the father's in terms of securing resources (UNFPA n.d.). Furthermore, education can be used as predictor of better employment opportunities because educated women will participate more in the labor force and earn higher incomes.

Empowerment furthermore not only involves having the initial access, but more importantly, to encourage women to take appropriate actions with the loans and the training provided. If the money and education is turned into income generating activities, this will result in a positive effect for Kenya as a nation.

This can be depicted in the following table[i]

Elements of Empowerment	**Examples**
Access	Increased access to resources, financial services, income, information about their rights, tools and technology
Capacity	Increased knowledge though training, education, workshops. Increased know-how to take actions, make decisions, take responsibilities, and to use one's own resources
Participation	Women are mobilized and ready to take action. A plan of action is created.
Action	From the resources attained, knowledge gained, and participants mobilized, women take the next step and doing something that was desired individually or collectively

Long Term Sustainability Plan	Accomplish long term sustainable, financially and continuing benefits of the project

Fig 5: Elements of Empowerment

Recommendations and Proposed Actions

As indicated, the main question is whether the business model of WEF addresses the fundamental factors of empowerment of women, aligned to new strategic plan in draft mode and the Kenya 2030 Vision:

- Measurement of success of WEF's program
- Ensure long-term strategy and sustainability

WEF's current scope of mandates and activities are mainly linked to the economic empowerment, while the social empowerment can be considered the second aspect for the confidence building. The other dimensions of legal, political, and psychological empowerment are not considered within WEF's scope.

And if these two dimensions are mapped to the above 5 elements of empowerment for access, capacity, participation, action, and long-term sustainability:

Access could be measured by the number of women groups getting access to loans or completed WEF training. It is about the access to primary or basic resources as credits and information. WEF could consider measuring the average loan amount per group to show if there is an increase from year-to-year. For future considerations: maybe there are other elements of access besides loans, e.g. access to internet?

Capacity could be measured by the basic education level of the women and their income / savings prior to getting the WEF loans.

Participation / Actions are combined for simplicity reasons. This element could be measured by number of women joining groups created by WEF Officers. This element would show what they do with the access and their capacities. It's about the number of enterprises created, number of jobs created, the way the women reach out to other industries for partnerships, participating in enhanced education as (business) workshops at the universities, education from other NGOs like ILO or HiH. Coverage of the business clubs across Kenya and the roll-out of the mentoring program can be taken into account for the participation as well. Furthermore, maybe even the industry linkages and any additional credits of the women could be considered by WEF.

Long-Term Sustainability Plan is about the revenue generating activities in a sustainable way and could be measured by the increase of income, revenue, and savings. Measuring that increase might be more difficult and less reliable. This element will be most hard to measure. Possible other ideas on

measuring this could be on the maturity of the business: are they registered at the KEBS? And for WEF internally, it could be considered to add metrics on the efficiency of the internal organization: cost of delivering training, cost of delivering loans.

In summary, extend the measurement of WEF0s empowerment for both dimensions form:

- Measuring only output (number of loans, total loan amount, number of members trained, number of groups trained)
- To measure the impact of the training and loans: see the sample KPIs in *Italic* below:

Elements	Economic – Sample KPIs	Education – Sample KPIs
Access	Nbr of loans Total loan amount	Nbr of members trained Nbr of groups trained
Capacity	*Income and Savings*	*Basic education level*
Participation / Action	*Maturity of women groups* *Nbr of enterprises / jobs* *Nbr of women with industry linkage*	*Enhanced education* *Nbr of women in Business clubs* *Nbr of women mentored*
Long-term sustainability	*Nbr of registrations at KEBS*	*Internal WEF performance (cost of training and loans)*

Fig 6: Sample KPIs

When the final set of KPIs are decided by WEF to measure the empowerment in the next years, the collection of data will have to be detailed. First step is to verify the data already available within WEF – being it from either the BR system or other in-house sources. Any missing data will have to be retrieved and this can be done via different alternative ways which might complement each other:

Approach 1: Baseline assessment of WEF groups with future follow-up – e.g. yearly or every x years – either for all (new) groups or on a selected subset. This would mainly be an in-house option.

- Either add new fields to loan application form or create a separate assessment form filled by WEFO at the moment of the training / loan request.

- Add follow-on assessment after x years to revalidate the individual data regarding the agreed metrics (income, education level, internet access, number of businesses/projects, or whatever has been selected as being the key metrics).

Approach 2: Compare WEF groups to other groups with the help of an external assessment partner:

- Commission third party to do randomize control trial on sample of WEF borrowers and control group. Surveys are especially useful when a program affects large numbers of beneficiaries – like WEF.

Approach 3: SMS Survey to ask direct questions to women via SMS and analyse responses

Final step is to perform a cost/benefits analysis of these options in order to make a decision. The outcome has to be weighted based on the expected data quality, costs of handling the data collection internally vs externally, in combination with the required schedule and due date for the baseline.

When these steps are completed, WEF can decide on the final set of key metrics together with an integrated approach for data collection. This process will have to be embedded in the organization, so that each department understands its role and will benefit from the outcome. The first results might not be visible short-term, but the immediate action will be on the internal definition of WEF's Women Empowerment and which elements, which metrics are considered key in order to measure WEF's success.

7.3 Leverage technology to improve data collection and reporting for strategic decision making

The base for all strategic decision making is data and the insights that can be derived from this data. In this section, we have focused on data around the women and mainly the business that the women are in as this information today only exists on a sector level and in most cases is not correct. To be able to decide e.g. in what corporate partnerships or new areas for capacity building to engage, you need to know where the possibilities and needs are. This knowledge is an important base in all business cases that should be made before any larger investment. How many women will be impacted and empowered by this investment? This knowledge is also important to be able to follow up on how WEF is doing, if it is meeting its vision. And if it is not, which areas need to be improved?

Key Findings: There is lack of information on a more detailed level in the systems at WEF today and due to that, it is not possible for WEF to answer questions like

- Where are women doing soapstone? Or fish farming? Or furniture?
- How much are these women lending? How much has been repaid?
- In which businesses are women successful? Where? Why?

- Which businesses are defaulting? Where? Why?

Due to the lack of more granular information in the systems, WEF cannot make detailed business cases for activities and investments. The business cases are important to be able to determine the impact and scale the activities and investments will have on women empowerment and to help prioritizing these.

The field in Bankers Realm (BR) where the business the individual women is selected, "Nature of business", is not mandatory. Since it takes approximately 45 minutes to enter a loan application into BR, the fields that are not mandatory are often skipped or just the first item in the drop down is selected. At the Nairobi regional office, they also did not know what the information in this field is used for.

The field "Nature of business" was recently extended with one level of detail compared to the previous sectors. When the backlog of loan applications that need to be entered into BR has been resolved, resources will be spent on entering the correct detailed level of "Nature of business" for historical loan applications in BR.

There are no flexible reports for analysis in BR. To build new reports, external resources from Craft Silicon or partners need to help WEF.

Proposed Actions and detailed description: The field "Nature of business" should be made mandatory at the same time as the data entry of loan applications is simplified and made more user friendly. There are different ways to help the user make the effort to make a correct selection in a drop down list to avoid that always the first item is selected. The user should scroll as little as possible to find the correct business type and to avoid this behavior; the selection can be made in two steps[ii]:

1) Select the sector – Agriculture & Forestry, Wholesale & Retail trade etc

2) In a second box only the detailed items of the selected sector will be displayed

It is also important to enable the Regional offices as well as the WEFO's once they will enter the loan applications themselves so they know what this field is used for and how they can make use of it to analyze the women within their area of responsibility. They can also benefit from this information and plan activities and partnerships proactively to further empower the women.

Below are examples of what the insight from more detailed data about the business of the women can be used for. The question why might not always be answered in the data, but you are given enough information to be able to ask the right questions and investigate in the right areas.

In which businesses are women successful? Where? Why?	Guide other women into the same business, form business clubs around this to share knowledge, incorporate in

	capacity building
In which businesses are women defaulting? Where? Why?	More focused activities toward these women like additional training or additional services such as insurance
Geographical spread of different kind of businesses	Connect women and trade fairs or with partnerships with larger corporations
Breakdown of overall empowerment measures on e.g. the different businesses and constituencies	Strategic planning of activities for WEF
Combine the internal information at WEF with external statistics	Deeper understanding of the markets the women are operating

Fig 7: Examples for usage of insights

To be able to get the most out of the data and to be able to do proper analysis, a flexible and dynamic Business Intelligence (BI) tool is needs to be implemented. WEF ICT already has this on the list of future projects and requirements. With this kind of analysis, you will probably identify other gaps of data that you would like to include to reach new insights. The activities to collect this new data by a new field in BR or in a separate system as well as create reports and/or an environment for flexible analysis need to be evaluated and prioritized using the framework under Leverage Technology below.

7.4 Training and Capacity Building

Training and Capacity Building happens to be one of the core areas of WEF and as part of their strategic objective, the need was to look for ways to improve capacity building of the women. To start with we reviewed the existing curriculum, reviewed the current mentorship guidelines and also had interviewed external and internal stakeholders in this context. Three core areas were identified where possible changes could be incorporated. The findings and proposed actions are stated below.

7.4.1 Free up WEFOs to focus on group formation and capacity building by establishing separate loan recovery team

Key Findings: Listed below are some key findings based on which actions are recommended

- Apparently WEFOs spend a larger percentage of their time in loan collection rather than focusing on finding new women groups and training them

- WEFOs do not want to take any risk of giving loans to groups that might possibly turn out to be defaulters, since they are the ones who are currently responsible for credit collection as well

Proposed Actions: Below are some concrete actions that WEF can consider in this regard

- Partner with collection agencies that can take the responsibility of collecting the lent amounts, if not in entirety at least for a subset of portfolio: at risk, defaulted, or the loans prior to 2010
- Alternately, allocate additional resources within WEF that can handle loan recovery
- In the near term, consider having two different WEFOs in each constituency – one for capacity building and another for loan disbursement and collection

Detailed Description:

The key role of the WEFO is to form women groups, train them, encourage them to take loans and support them in investing the money in income-generating businesses. But currently it seems like the WEFOs are spending a greater portion of their time in loan collection rather than concentrating on group mobilization and capacity building. Due to the responsibility of loan collection being vested on the WEFO, there is a high possibility that the WEFO might not be willing to give loans to groups who possibly might turn out to be defaulters. Also the WEFO might not be willing to take the risk of going to remote areas for loan collection and thereby might not issue a loan in the first hand.

Therefore, considering splitting the two activities of loan recovery and capacity building might be a viable option. This will free up the WEFOs and help them focus on their core area. Outsourcing of loan recovery to collection agencies, setting up a separate department within WEF to handle loan recovery or having two WEFOs responsible for capacity building and loan collection respectively are some open options.

While considering splitting the two processes, it would also be interesting to identify the factors that can be taken into consideration – as to what part of the portfolio of loan collection should be outsourced. Based on the information that WEF had shared, here are proposed alternatives that WEF can choose from while deciding to outsource the loan recovery process –

- Outsource the collection of loans that have arrears over 365 days
- Outsource the collection of zero-repayment loans over 365 days

The range or the duration can be chosen depending on WEFs interests and priorities. Some questions that WEF can consider while taking this recommendation forward are

- How much time do WEFOs currently spend chasing the groups for loan repayment?
- Which groups take the most time?
- How much would it cost to have loan recovery partner vs having the WEFO collect it?
- Should loan collection agencies operate in all constituencies?
- Should this be seen holistically or constituency wise?

These questions can be considered by WEF, the answers for which could act as supporting facts to decide on a particular approach or to arrive at a threshold beyond which a collection agency can be

employed to recover the loans. The below chart is based on sample data[iii] gathered from multiple stakeholder interviews.

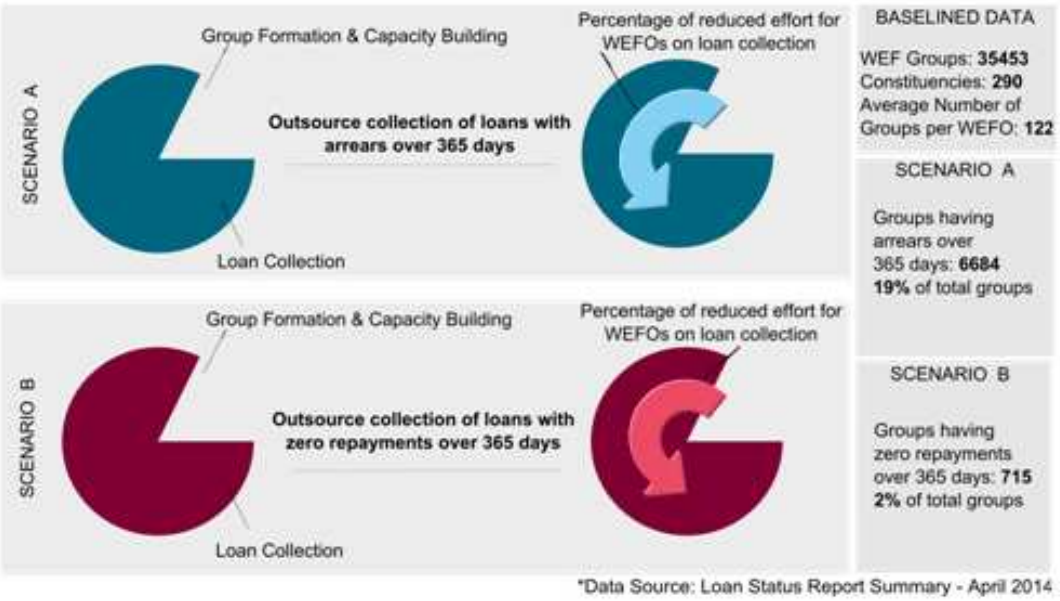

Fig 8: Chart showing distribution of WEFOs time

7.4.2 Improve curriculum and partner to procure content on enhanced business skills

Key Findings: Listed below are some key findings based on which actions are recommended

- Women do not engage in businesses yielding profits, they sometimes utilize the money elsewhere and also face difficulty in finding appropriate markets to sell their products
- The current training module lacks certain concepts related to business management which might be essential for the women beneficiaries

Proposed Actions: Below are some concrete actions that WEF can consider in this regard

- Partner with organizations such as ILO and Hand-in-Hand International to piggyback on their training modules or consider outsourcing 'Training of Trainers'. If the women groups are already trained by HiH or ILO, then skip the WEF training for these women groups.
- Partner with NGOs, educational institutions, MNCs to leverage the value they have to offer
- In the near term, consider including modules related to setting economic goals, information on standards, social responsibility, looking out for markets and the like

Detailed Description:

The current training module that WEF offers is good in terms of content and is greatly acknowledged both by the beneficiaries and the WEFOs. The outreach and scalability of the WEF training is immaculate and WEF should consider keeping it going. However, including additional modules related to enhanced business skills and other advanced topics came in as suggestions during the various

stakeholder interviews. Topics related to economic planning, identifying markets, social responsibility, identifying market opportunities can be good candidates for consideration.

Some modules that can be considered to be included besides the basic WEF training are[iv]:

- Setting Economic Goals
- Economic Sustainability
- Social Responsibility
- Future Financial Planning
- Identifying Market Opportunities
- Standards and Policies

The partner interviews with ILO and HiH, helped us understand that the modules that are currently lacking in the WEF curriculum are already being delivered by ILO and HiH. They also have a very robust induction program for the trainers. Given that the content is already being delivered by ILO and HiH and since WEF is already partnering with these organizations, a possibility could be to outsource the training or WEFOs to these organizations. Some aspects that WEF needs to consider are

- Would it be profitable to get the WEFOs trained by ILO or HiH? A Cost-Benefit Analysis can be done to compare the current cost used to train a WEFO as compared to the cost if the training is outsourced
- Also, if outsourcing is considered as an option, would it be possible to customize the training offered by partners to WEFOs since WEFOs have to undergo basic WEF training and some basic concepts may be covered in the process
- If the current WEF curriculum has to be revised, would it be cost-efficient to invest in revamping the curriculum ourselves or look at the possibility of buying the content from the partners
- Also look at the possibility of leveraging the SME Toolkit[v] to fill in the missing modules in the basic WEF training.

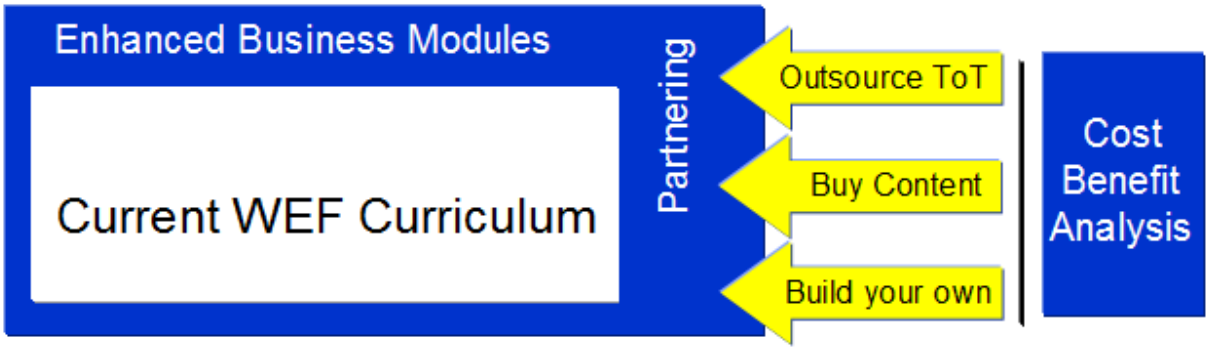

Fig 9: Options for enhancing content

7.4.3 Assess, customize and prioritize current WEF training based on target audience

Key Findings: Listed below are some key findings based on which actions are recommended

- The current quality and scale of training is very good, the need is with customization
- WEF beneficiaries might need interim support and feedback from experts in the area of their respective businesses and might need training on some very specific skills

Proposed Actions: Below are some concrete actions that WEF can consider in this regard

- Assess the current skill set of the women groups and deliver customized training as need be
- Build mentorship program on top of the existing Business Club Structure
- Partner with organizations to deliver business specific training

Detailed Description:

From the various stakeholder interviews conducted, it was identified that the delivery and content is good, but there is a need for customizing the training based on the target audience. Sometimes the beneficiaries might already be aware of certain modules and might not wish to be trained on the same again. In certain cases, they might need very specific business training pertaining to specific businesses like horticulture, fish-farming etc. Thus there is a need for fine-tuning the delivery of the training based on the target population.

Having the WEFO to assess the capability and skill set of the groups before hosting the training might help in focusing and streamlining the training. Prioritizing on what might be the immediate requirement for the group would help in feeding them with relevant training at required times. The possibility of pushing certain training modules when the group becomes eligible for the second loan can be considered. Here are some factors that can be considered for assessment:

- Current capabilities of the women group
- Type of business the groups plan to invest in
- The type of loan that they are currently eligible for
- Favorable factors for starting a specific business in that constituency
- Difficulties with reading/writing or using systems (Ex. MPESA)
- Trainings already undergone or completed

There are also instances where the training could be customized based on the constituency, the industries in that area and many other factors that may seem relevant in the given context. Identifying partners like educational institutions, industries and NGOs to provide value-add services on specific businesses would be an added advantage.

It is highly recommended that the business club concept that WEF is currently hosting be continued. Probably the business clubs could be expanded to facilitate peer-peer learning and can become a starting point to establish a mentoring relationship. Rather than hiring a mentor to help and share expertise with the women, it is advisable to develop a social bond among the women themselves,

so that they would be better able to help each other given that they have been engaged in similar environments. Supplementing the existing business club policy with policies related to mentoring and using the business club model as a vehicle to launch the mentorship program is recommended. In the long term, evaluating the mentor-mentee relationship and assessing the quality of learning gained from the interaction would be of help. An extended long-term recommendation would be to identify virtual volunteer mentors by posting opportunities on platforms like UN Online Volunteering[vi].

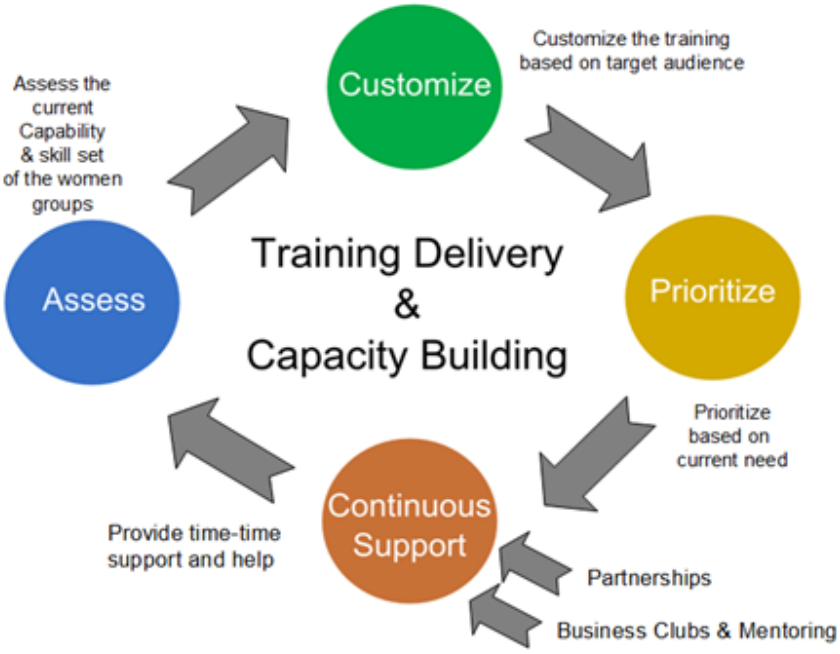

Fig 10: Training Delivery & Capacity Building Cycle

7.5 Leveraging technology to improve service delivery

In this section, we aim to focus on technology to address the main pain points with WEF's core business – loan delays and poor repayments. Other areas where technology is leveraged is found under Overall Recommendations (more detailed data for among others insight about women and their business) and Support Market Access (on-line marketing and sales platform to sell the products form the women on the virtual market).

WEF has a mature approach to systems supporting their processes. They are aware of what can be expected of a system when it comes to functionality and support as well as that the current system Bankers Realm (BR) is not implemented at WEF to its full potential. ICT is working close together with Craft Silicon that develops BR to enhance the system and implement enhancement requests from WEF as well as writing reports and other maintenance of BR.

7.5.1 Prioritize using technology to get the loans out quicker

Key Findings: Loans should be disbursed within a month from when the application is filled in to when the check is printed according to the Credit department at WEF. The WEFOs and women groups we have talked to say it can take a year until the application is approved and they get the check.

There is a backlog in loan applications that have not yet been entered into the system. When visiting Tom Makisa, WEFO in Central Embakasi, we could see the number of applications he receives per every two weeks (about 10-15 per week) and sends to the regional office for entry in BR. Each regional office serves on average 36 constituencies. The regional office in Nairobi receives 100-150 loan applications each week and the two interns that are currently working there, are able to enter around 100 applications per week into BR.

Proposed Actions & Detailed Description:

We believe loan disbursement is the area where leveraging technology to automate and simplify the process will have the highest impact on women empowerment. In order to reduce and prevent a backlog of loan applications to be entered into the system and to be able to delegate the entry of loan applications to the WEFOs when they get their mini laptops, WEF should continue its efforts to make the data entry more user friendly. One way of addressing this could be to also have an entry from the data entry of the loan application to either pick up an existing group from the list or to create a new group and validate and/or enter members. When saving the group with its members you will automatically come back to the loan application with the group/members already populated.

A second step would be to analyze the capacity bottlenecks within the loan disbursement process to identify how technology can be leveraged to better support and improve the process. The framework below can be used to prioritize the new projects and requests along the existing ones as well as new requests from other areas of WEF.

Framework for prioritization of ICT projects/requests

As empowering the women is the overall vision for WEF, the prioritization of ICT projects and requests should be done looking at what will in the end impact them most. Below is a model from a Point of Value workshop conducted by IBM to provide guidance to potential customers and their investment in our solution.

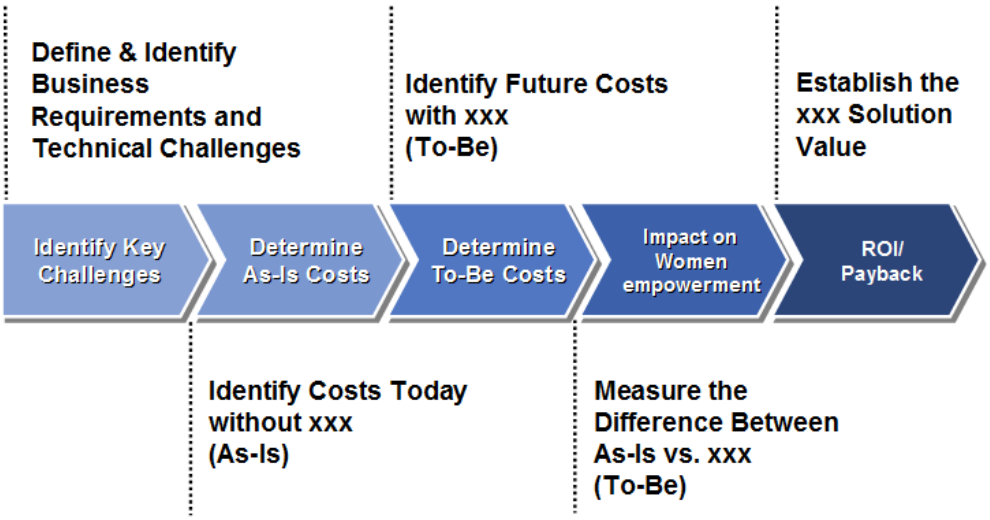

Fig 11: Model for providinng guidance

Costs are not only the investment in KSH but also hours spent/saved which in most cases will free up time for WEFOs and others to interact with the women. For WEF, scalability is important, to be able to reach as many women as possible. The cost can be split by the different steps or activities performed in the old and new solution for a more clear comparison of the business case. Other measures that also can be added and quantified are control of the process and confidence in the data.

Below is a simplified example of how this framework can be used for making the entry of loan applications faster. The days under costs today are calculated by taking 125 loan applications times the 45 minutes it takes to enter them. Divided by 60 to get hours and then by 8 to get days per week. The impact over time shows that 9 days are freed up per week at the regional office, time that can be spent on other activities to reach out to the women. Also the cost of services, mini laptops etc affect the impact on women as the budget for other projects/requests will be smaller.

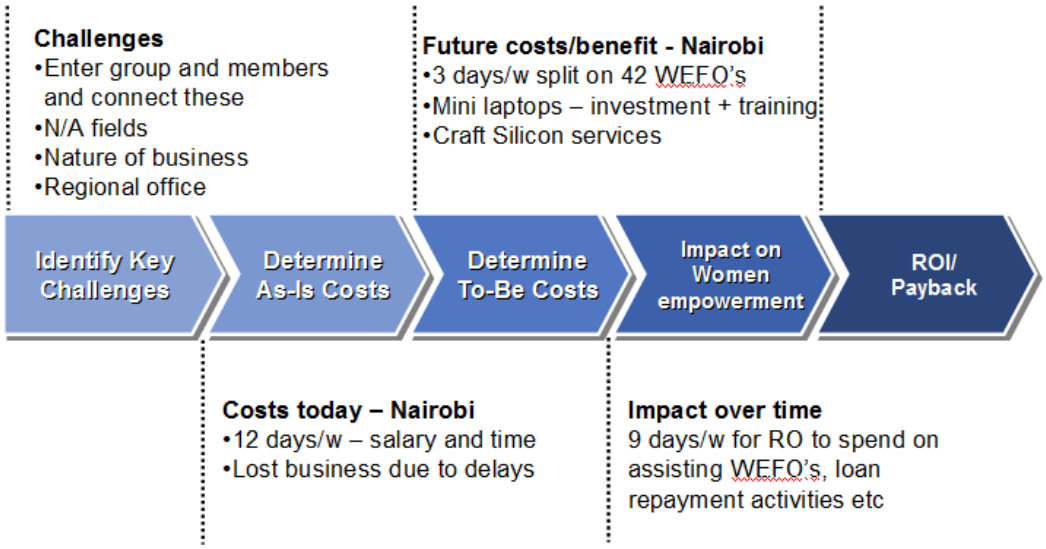

Fig 12: Simplified Example

7.5.2 Increasing repayment commitment with SMS communication and incentives

Key Findings: Loan repayment cannot leverage technology to improve the process as much as the loan disbursement process. An SMS communication platform (code 22501) has been launched earlier this year and needs to be further promoted to the women as well as included in the capacity building curriculum according to the Marketing department. The women group *Youth for change network* were for example not aware of this service. WEF and WEFOs use this platform to send bulk SMS' to women regarding repayment etc. The Nairobi regional office told us that the bulk reminder SMS that is supposed to be sent to the women on a monthly basis is very helpful in the work of collecting the repayment. Unfortunately, the SMS is not sent out every month. A World Bank Institute study on repayment of MFI loans in Uganda[vii] told us that small businesses in developing countries pay late because they suffer from a lack of financial management, which affects their ability to make payments on time. SMS reminders are one way of helping them structure their payment routines.

Proposed Actions & Detailed Description: We have not identified any new major areas where technology can be leveraged to improve the loan repayment process besides what WEF is currently working on. One process improvement recommendation can be found under section 7.3.1 above.

In the repayment study in Uganda they could see that different kind of incentives and an SMS reminder gave different effects for different kind of borrowers. We recommend WEF to analyze the defaulting groups in more depth to be able to customize the actions towards them to increase the repayments of loans. In the Uganda study, they tested two types of incentives and for the third group an SMS reminder. The incentives in this study are based on the interest paid. In WEF's case, working with the administration fee could be a possibility. This of course needs to be automated and handled within BR.

Group 1 received a cash back equivalent to 25% of the interest rate if all installments were paid in time. This group was 8.6% more likely to make all payments on time. They could see that those responding to this incentive had small loans and less banking experience.

Group 2 were offered an interest rate reduction of 25% on their next loan. This group was 7.3% more likely to make all payments on time and those responding to this incentive generally had larger loans.

Group 3 received a monthly SMS reminder 3 days before the payments were due (see Behavioral change using technology below). This group was 9% more likely to make all payments on time and young customers were the ones responding to this more than the incentives.

To use SMS to ensure repayment of loans is a powerful tool as you can reach many groups and women at a low cost. As with all messages, it needs to come in the right time, with the right message and in the right context. The power of SMS is that you can test the timing and content on a defined population and compare the effect with the previous message in another population. Proposals around the content of the SMS reminder of loan repayments:

Behavioural Change using Technology

- A reminder 3 days before a loan repayment is due thanking the women for using WEF and reminding them of the importance of paying on time

Psychology tricks to influence people[viii]

- Include flattery in the message, e.g. strong business woman

Alert about consequences[ix]

- Make it clear what will happen if the loan is not paid back in time, e.g. preventing others from getting loans, engaging auctioneers or listing them with credit reference bureaus.

Below are the current SMS messages sent by WEF as a reference.

When in arrears	Dear Vision Mothers, kindly note that your loan is in arrears of Kshs 58333.31 being 211 days in arrears. Please make arrangements to settle the same by 30th.
To remind installment almost due	Dear NGAO MEMA EMPOWERMENT NETWORK, kindly note that your loan installment amount of Kshs 11666.70 is due for payment on. Mar 2 2014 Please make arrangements to settle the same.
When they repay	Dear SHELLY WOMEN GROUP, your account 501023003 has been credited with: 5000.00. Thank you WEF Team

Fig 13: SMS Messages sent by WEF

7.5.3 Create a framework across WEF for implementation of ICT requirements

Key Findings: WEF has identified a large number of ICT projects/requests within different areas. Some examples mentioned by Nancy Kaburu and Isaac Munya are:

- Upgrade BR to web version so WEFOs can work from anywhere
- New fields for detailed data implemented earlier this year. The history needs to be updated to make it possible to gain deeper insight in the business of the women.
- Implementation of Electronic data management system (EDMS) to minimize the paperwork at HQ by digitalizing the loan forms and part of the workflow around these.
- System to market products to women
- Challenges with bulk SMS to the women as they fail with more than 1000 recipients.
- Need of intelligent reports for analysis
- Mini laptops including modem with airtime to the WEFOs so they have direct access to reconciliation reports, loans due and can input the loan forms in BR.
- Printing of checks directly from BR to shorten the loan disbursement process and keep the money on WEF accounts-
- A more user friendly window for data entry of loan applications, incl details of the group members, to get the time to enter these down from 45 to 10 minutes.
- Working with Safaricom to automate reconciliation process of loan repayments with M-PESA
- When interviewing representatives from the different departments at WEF, more requests can be added to the list as well as at least for one request, new fields for detailed data, they were not aware of that it had been implemented.

ICT needs each department asking for new functionality to actively work together with them when discussing their requests with Craft Silicon. Some are committed but others not.

Proposed Actions & Detailed Description:

ICT is responsible for the platform that supports WEF's operations but the departments own their respective processes. We propose regular meetings with representatives from all departments within WEF to discuss and prioritize ICT projects and requests. Representatives from the field can also be included to provide their input when applicable. This way all have the same knowledge about what is in the pipeline and when and make sure that no requests are missed. Resources needed from the departments during the implementation can also be scheduled. It is important that the departments team up with ICT during the implementation of their requests.

An important phase of all development activities is to communicate new functionality to applicable persons and groups and include it in the capacity building curriculum when applicable.

7.6 Supporting market access and establishing industry linkages

Promotion of international and local marketing and promoting linkages between women-owned micro, small, and medium enterprises and large enterprises is one of WEF's mandates. Each of these activities has as its goal helping improve women's businesses and thus increasing their income. Thus we have grouped our recommendations on these mandates into a general category of supporting market access.

Supporting market access for women is WEF's most challenging role. Determining where and how to intervene is highly challenging – many projects in many countries aimed at this goal have failed. Many potential interventions could be complex and time consuming to undertake – WEF should apply a framework for evaluating potential interventions that considers not only financial but staff time investment to protect against investing large efforts in initiatives that yield little return.

Constraints to finding markets

"Our only problem is markets" –Chairlady, Mwamko Mpya Women's group, Embakasi. The chairlady's comment is a common refrain among women's groups. Three of the four women's groups visited lodged this complaint. However further questioning revealed other problems. In some cases women were not aggressively pursuing markets. The members of Mwamko Mpya had not contacted large or medium scale buyers of handicrafts, nor taken their products to wholesale markets. Another group had identified a buyer for its fish but did not have secondary buyers and were reliant on the single buyer. While many women's groups perceive their key problem is lack of markets, we found that lack of marketing skill and entrepreneurial mindset could be greater obstacles.

In addition, less established products in local markets, or products that serve distant markets pose greater challenges to women entrepreneurs. Their knowledge of the markets is limited, distances between producer and markets is greater, and demands less certain. Each of these factors has contributed to the difficulty the Mwamko Mpya group faced in selling its handicrafts. Secondary research validates this.

For all markets demand can be unpredictable. A case in point is quail eggs. As interest in quail eggs took hold in the market, demand soared and with it prices rose from anywhere from 100 – 150Ksh per egg, making them exceptionally profitable for farmers. But as supply grew prices quickly dropped to as low as 10 – 15Ksh per egg, causing many farmers to abandon their quails. Such volatility exists in many markets, requiring farmers and entrepreneurs to be agile and flexible.

Current interventions to improve market access

- Efforts to create platforms for buyers and sellers to connect (e.g. business clubs and local trade fairs) are receiving positive feedback from women. Three of the women's groups noted that they

had at least taken contacts from buyers at trade fairs they attended, even if the contacts did not result in sales in all cases.

- Existing partnerships on specific business trainings seem to have high impact but may be difficult to scale. Interviews with Hand in Hand and ILO, WEF Officers, as well as secondary research on other income generating activities performed by smallholder farmers and small scale entrepreneurs revealed that high quality training and support for production and sale of specific products is available, but due to time and resource intensity tends not to scale. For example JKUAT training partnership with WEF received positive feedback from the woman borrower and WEFO interviewed but managed to reach only 457 women in 2012.[x]

7.6.1 Focus first on building women's capacity and supporting platforms to serve immediate markets

Proposed Actions

- Apply framework to assess potential impact of scalable interventions
- Incorporate basic marketing skills into core WEF training (see section 7.4.2)
- Build platforms for women to connect to markets, such as business clubs

Detailed Description: WEF must guard carefully against getting involved in highly costly and labor-intensive activities that it cannot scale across a large portion of its borrower base. To do that we recommend applying a simple framework to evaluate any potential market support initiative. The framework has several evaluation criteria:

- Scale of impact – i.e. potential number of women affected
- Depth of impact – i.e. potential impact on each woman
- Risk of failure – i.e. the probability that women will fail to benefit
- Cost to WEF – i.e. how much money
- Effort required from WEF – i.e. how much staff time
- Benefit/cost to partner – i.e. profitability, impact per cost

Among WEF's chief concerns with regards to supporting market access is achieving scale. It has reached 800,000 women and aims to ultimately serve all women in Kenya. To do so it must find ways to maximize impact with minimizing its use of resources. WEF cannot become expert in all the specific products and markets that may be advantageous for women to be involved in. Nor will it likely be able to provide the variety product-specific trainings and market linkages to all its 800,000 borrowers that would be required. To best scale impact across all women groups we recommend WEF start by integrating basic marketing skills into its core training module, which reaches all WEF borrowers. This will help address the skill gap and empower women to identify their own markets for their products.

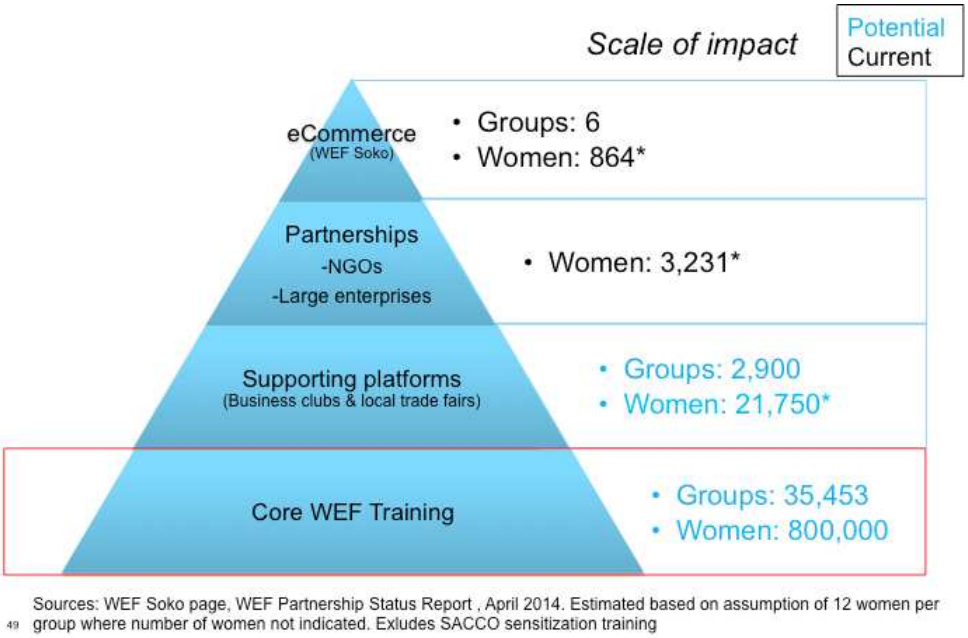

Fig 14: Scale of Impact

Each intervention varies on its potential to scale. Scale of impact is only one dimension that should be considered.

We further recommend continuing to pilot its business clubs initiative. Business clubs represent a low cost, low complexity intervention with the potential to drive significant scale and depth of impact if women are able to use the clubs to identify markets, join together to purchase inputs, and provide and receive mentorship support through the clubs. WEF should develop a set of goals for the business clubs and establish a method for measuring the results of the clubs.

7.6.2 To deepen impact of market support efforts, selectively pursue partnerships with NGOs and larger enterprises

Key Findings

- Accessing domestic and international markets is difficult and complex, and is especially challenging for small scale farmers and entrepreneurs
- Knowledge of markets, and ability to produce at the right quality and quantity are the key barriers
- Women groups have been most successful in selling into markets when there is a commercial or NGO partner to provide training and market outlets.
- There is a wide range of existing partnerships that vary depending on type of product, place in value chain, and involvement of partners
- Model partnerships reveal a potential for depth and scale of impact

Proposed Actions

- Apply a framework to evaluate potential impact of potential partnerships or market linkages

- Develop target list of potential partners
- Develop and customize WEF's "pitch" to potential partners.

Detailed Description: There is a wide range of potential partnerships that WEF could form with NGOs and large enterprises. Desk research and interviews revealed a range of partnership models, from engaging low income women to distribute existing products in local markets, like Coke, to engaging farmers to increase the quality and quantity and selling price of horticultural products for exports, like avocado, to engaging small artisans to create crafts for export markets.

- At the same time pursuing partnerships can be time consuming, expensive, and risky, requiring multiple meetings, MOUs, and eventually board approval to move forward. In order to get the highest return on its effort to form mutually beneficial partnerships, WEF should first develop an initial target list of potential partners, and then apply a framework for identifying and evaluating such partnerships (see above).

One example of such a partnership would be with HoneyCare Africa, a Kenyan social enterprise that engages smallholder farmers to produce honey that it processes and sells in local markets. HoneyCare has a proven and established business model wherein it engages farmers in clusters to purchase bee hives, trains them on honey production and the honey market, deploys trained professional beekeepers to maintain the hives, then purchases and collects the honey from farmers. Below is an example of how the evaluation framework would apply to a potential partnership with HoneyCare.

Scale of impact	Reaches 15K heads of households, 43% are women
Depth of impact	Increased annual income USD $250
Risk of failure	Established process and business model
Cost & time to WEF	WEF needs to identify and support WEFOs capable of bringing together sufficient members
Benefit/cost to partner	Adds to HoneyCare's volume, # of smallholders impacted

Fig 15: Example of Evaluation Framework

An example of the evaluation framework applied to existing large enterprise and NGO partnerships aimed at improving small-scale entrepreneur and farmer income is summarized below. [See 'other document' for detail]

Example	Model	Scale of impact	Depth of impact	Risk of failure	Cost/effort to WEF or equiv.	Benefit/cost to partner
Project Nurture – Coca -Cola	Women as agricultural producers for national/int' l markets	+	+	-	+	+
Ten Thousand Villages	Women as producers of consumer goods	+/-	+	-	+/-	+
Hand in Hand	Women as producers of agriculture for local markets	-	+/-	+	-	+/-
STAR Program – Coca cola	Women as sellers of existing goods	+	+/-	+	+	+/-
HoneyCare Africa	Women as agricultural producers for national/int' l markets	+/-	+	+/-	+	+

Fig 16: Evaluation Framework - Summary

Sources: Ten Thousand Villages Annual Report 2013; WEF Partnerships Status Report, April 2014; Harvard Kennedy School of Government, Business Fights Poverty, "The Coca-Cola Company's 5by20 Initiative Empowering Women Entrepreneurs across the Value Chain", 2013; MIT Sloan, "Creating Sustainable Local Enterprise Networks" 2005.

Once WEF has identified a prioritized set of partners to pursue, it should develop a compelling value proposition that it can present to potential partners. The value proposition should address the following considerations:

- What is the partner's core business? What are their biggest challenges? How would the proposed partnership further partner's core business? By how much?
- What unique value does WEF bring to the partnership? E.g. unequalled scale, Government of Kenya support, on the ground presence in every constituency, deep lending capacity
- How would the partnership further WEF's goal of empowering women?
- What specific activities would WEF perform? The partner?

Below is an example of how WEF could frame a value proposition for proposed partnership with HoneyCare.

Partner's core business:

- Selling honey profitably
- Supporting smallholder farmers

Partner's critical challenges:

- Organizing clusters of smallholders
- Securing their commitment to buy hives

How would partnership help?

- Expand number of smallholder farmers reached
- Expand quantity of product produced

WEF's unique value:

- Existing relationships: WEF can bring together clusters of women's groups based on existing relationships with women's groups
- Finance: WEF can provide finance to assist groups in purchasing hives
- Scale: WEF has women's groups in every constituency of the country

Impact on WEF goal:

- Provides a relatively simple way to increase income of borrowers
- Reaches difficult constituencies in semi-arid regions

What specific activities would WEF perform? The partner?

- WEF: WEFO in honey producing constituencies will bring together critical mass of clustered women groups
- WEF: will provide loans to groups that participate in partnership to subsidize cost of hives
- HoneyCare: train women on basics of honey production and marketing
- HoneyCare: purchase and collect honey from women

7.6.3 To leverage technology, use existing platforms rather than build your own, where women have products in sufficient quality and quantity

Key Findings:

- Building traffic and conversions and implementing payment and delivery systems on a new channel is difficult and requires large investment.[xi]
  - Typical ecommerce conversion rates range from 1-2%[xii]
  - Jumia, a local ecommerce player, has 100 employees.
- Ecommerce customers are demanding – they expect delivery within a few days and expect to be able to return goods. Few WEF borrowers are currently capable of delivering quality and quantity, and the speed of delivery needed to meet demands of ecommerce customers.[xiii]

- There is significant traffic on existing eCommerce platforms even within Kenya
  - OLX, a Kenyan eCommerce platform, is 12th most visited site in Kenya[xiv]
- Serving international markets entails meeting challenging requirements e.g. Amazon
  - A bank account in a country supported by Amazon
  - Taxes and regulations for each country

Proposed Actions

- Analyze share of women who could deliver goods at quality, quantity, and speed needed to meet ecommerce demand to determine potential depth and scale of impact
- Take a phased approach - start with testing demand by placing products on existing platforms e.g. OLX

Detailed Description: Technology is a powerful tool in helping businesses sells their products. It can also be a tool for helping the small scale entrepreneurs and farmers that constitute most WEF borrowers to do the same. However, technology such as digital channels like ecommerce platforms should be seen simply as an alternative channel to existing markets, not net new markets. In other words, while digital channels allow you to reach customers in new ways, and in some cases reach new customers, they do not fundamentally change the size of the market for a given product or service, nor do they fundamentally change any laws of competition, supply or demand.

For that reason we recommend that WEF focus on the use of technology to support its women's business efforts only after integrating basic marketing training into WEF's core curriculum (recommendation 1) and pursuing partnerships with large enterprises and NGOs that can support women at scale (recommendation 2). It should do so first for women whose products or services have a demonstrated ecommerce market, and where the women have demonstrated the capability to meet the quality, quantity, and speed demands of the market.

To do this we recommend testing market demand on existing platforms through simple, low cost tests. For example, WEF could post a listing for a woman's product on OLX at no cost, with a link to the product on the WEF Soko webpage, and use its web analytics to compare traffic to that page from OLX with traffic from other sources. Similar trials could be conducted on other eCommerce platforms such as the Nation Media Group's n-Soko or Jumia, an online shopping site that features some locally produced items.

If the tests generate sufficient demand to justify further investment, WEF can consider working with ecommerce platforms like Jumia, an online shopping site that features some locally produced items, to have WEF goods offered directly through Jumia.

7.7 Long term recommendations

WEF CEO S. Wainaina wa Njeri challenged the team with two big questions:

1) Does WEF's business model address the fundamental problem – the "original sin" of women's marginalization?

2) How does WEF balance its social mission with its long term sustainability?

The first section of this report is an attempt to answer the first question. We find that to answer it WEF first needs to define exactly how it defines "empowerment", then establish and measure key performance indicators that measure WEF's success in addressing the "original sin". Measuring outcomes like impact on women's income is far more difficult to measure than the number of loans issued by WEF, for example, but critical to assessing impact against its end goal of empowering women. WEF should invest some time and resources to determine its core KPIs and identify a cost effective means for measuring them.

WEF has a mandate to reach all constituencies within Kenya. We understand its further goal is to expand its reach from the 800,000 women it has currently reached to *all Kenyan women* (or at least the 88% of women who are currently not formally employed). Thus it has a strong mandate to *scale* its impact. Implicit in its additional mandates - such as supporting women oriented micro, small and medium enterprises to develop linkages with large enterprises - is a need to *deepen* its impact among the women it serves.

Nevertheless, WEF's operational budgets have remained steady while new infusions of capital for lending by the government have been declining year to year. This poses a challenge for WEF – **how can it scale and deepen its impact without additional resources?**

Key Findings

We find that with WEF's current course it will be challenged to achieve its vision of socially and economically empower Kenyan women entrepreneurs for economic development for all Kenyan women in need.

Shrinking or stagnant lending and operational budgets threaten sustainability and scale.

The current financial institution (FI) strategy not achieving desired results.

Twenty-five percent of WEF's loan portfolio is lent through financial intermediaries. The terms of lending to financial institutions (FIs) for on-lending to women dictate that banks must offer a separate WEF loan product to women at 8% annual interest rate with reducing balance. While their repayment record has been strong (FI portfolio PAR is only 9.4% as of 22/4/2014)[xv] it has been found that financial institutions are not adhering to the terms of the agreement. FIs are 1) lending to women at above the

8% interest rate, or sometimes even prevailing market rates which range from 20-30% 2) making WEF loans conditional upon taking a standard commercial loan first, 3) simply not offering WEF loans.[xvi]

Consensus on international best practice on government involvement in microfinance includes:

Avoiding direct lending, setting interest rates[xvii][xviii]. Direct lending initiatives over time have tended to become subject to political influence which has reduced repayments and challenged financial sustainability. Dictating interest rates for specific types of lending has tended to discourage commercial financial institutions from lending, as interest rates set by government may not reflect what is achievable in the market.

Focusing on price transparency, provision of credit information for MF, and dispute resolution.[xix] Consensus best practice finds that governments that have succeeded in supporting microfinance sectors have done so by taking initiatives to 1) provide free and transparent market price information for loans, to promote competition and enable borrowers to better compare loan products and select ones that suit their needs; 2) set guidelines and create infrastructure for sharing credit information on borrowers to stimulate lending; 3) creating mechanisms for protecting borrowers' rights through fair dispute resolution.

Providing loan guarantees and on lending schemes if effectively designed.[xx] While loan guarantee schemes can be complex to execute in many countries they have effectively stimulated lending by commercial financial institutions into segments of the population that are otherwise underserved by the market. Examples include FOGAPE in Chile, the USAID's Development Credit Authority, and Slovenia's Small Business Development Fund. Guarantee amounts should generally run between 60-80% of the value of the loans. Guarantee scheme sponsors generally charge an administrative fee of below 5% - enough to cover the cost of administering the scheme but low enough to avoid discouraging use. Governments who sponsor schemes should be careful to design them in such a way as to avoid distorting markets.

Proposed Actions

- Renegotiate terms of agreements with FIs
- Introduce loan guarantee scheme for FIs
- Introduce services to enhance microfinance price transparency, credit information, and dispute resolution

Detailed Description:

- Renegotiate terms of agreements with FIs. More research would be required to analyze the exact reasons why FIs are not fulfilling the terms of the agreements. Possible reasons could be that the 8% interest rate, even using funds borrowed at 1%, is not commercially viable when compared to

other loan products. Other possibilities could be a perceived lack of willingness by WEF to enforce agreements or other bureaucratic obstacles to issuing loans. Depending on the results of the analysis WEF could propose new terms with FIs that would be more likely to stimulate lending to women, for example by pegging interest rates from WEF to FIs and FIs to borrowers to the Central Bank of Kenya's monthly lending rate, rather than setting it at a fixed 1% and 8%.

- Introduce loan guarantee scheme for FIs. WEF could introduce a loan guarantee scheme that would guarantee portions of loans given to women borrowers by FIs, thus stimulating additional lending to that target group. In this way WEF could use its limited capital to leverage a much larger pool of private capital. Further analysis would need to be conducted to determine what terms and conditions would be commercially attractive for banks yet economically sustainable for WEF.

Introduce services to enhance microfinance price transparency, credit information, and dispute resolution. WEF could consider moving into adjacent financial services that are traditionally the domain of government agencies. A current obstacle to microcredit borrowing by women is lack of access to fair and transparent pricing information. Banks price their loans with different terms that make it difficult for borrowers to make meaningful comparisons. At the same time lack of credit history is another barrier to women's borrowing from financial institutions – WEF could leverage its borrowing histories and data on women to supply credit information to financial institutions thus improving women's ability to borrow. Dispute resolution between borrowers and lenders is another area where governments can effectively intervene to support women's empowerment. Further analysis would be needed to determine what are the current gaps in these services and where WEF could offer services to support.

7.8 Monday morning action plan & follow-on actions

Throughout this report recommendations have been made and actions were identified. Some recommendations can be implemented quickly, while others are aiming at a more long term impact. We would like to ask the WEF team to read this report and think of how this document can be used for the completion of the Strategic Plan 2014-2018.

In order to make this easier, this section lists the main actions that WEF can take in the very near future and during the next few months. The Monday action plan lists the immediate actions, while the other column shows the next steps to be taken.

Monday Action Plan	Follow-on Actions
Women Empowerment	
• Define Women Empowerment for WEF • Define related KPIs	• Develop and execute data collection plan for KPIs and strategic decision making
Capacity Building	
• Decide on desired balance of WEFO's time • Conduct in-depth analysis to improve content • Finalize group training assessment factors	• Determine strategy for handling bad debts • Conduct cost-benefit analysis for securing enhanced modules • Define combined approach to mentoring & business clubs
Leverage Technology	
• Apply framework to prioritize ICT activities • Test alternative SMS messages	• Develop interdepartmental agreement on ICT priorities, implementation, and enablement • Rework SMS text based on test outcome
Support Market Access	
• Improve training material on marketing • Continue with business clubs roll-out • Develop target list of potential partners • Test demand via existing platforms (OLX)	• Apply framework to evaluate potential partnerships • Pursue eCommerce strategy based on test outcome

Fig 17: Monday morning action plan

7.8.1 Women Empowerment

First priority lies with:

- Putting a definition in place for Women Empowerment to be used in the Strategic Plan.
- Based on this definition, putting together the related KPIs WEF will measure during the period as defined in the Strategic Plan.

And plan to work on these follow-on actions:

- Create and execute a project plan for collecting the necessary information. This includes validating if the information can be collected in-house or via other sources (assessment partners) and against what cost.
- Implement / execute data collection for KPIs but also for other strategic decision making by the WEF Board, the CEO, and each of the departments.

7.8.2 Capacity Building

First priority lies with:

- With all departments, deciding on the correct balance for WEF Officers to spend their time. They will get more work with the mini-laptops to enter the loan forms on a weekly basis, while their

target still stands to train 2,500 women yearly (= approx. 167 groups per year thus 14 groups per month).

- At the same time, the education material needs to be reviewed in detail to determine the specific gaps.
- And for the group training, the assessment factors can be finalized to determine how the training can be customized and prioritized.

And plan to work on these follow-on actions:

- Determine if debt collection will have to be handled differently. If so, what portion of the debts to be removed from the WEF Officer's portfolio and handled by other teams (internally or externally).
- Apply the cost-benefit analysis for each of the identified training gaps so that the gaps can be addressed.
- Work further on the mentoring and business clubs initiatives. Maybe the business clubs can be the vehicle for doing the matching between mentors and mentees.

7.8.3 Leverage Technology

First priority lies with:

- Apply the proposed framework to prioritize all the planned ICT projects and requests.
- And test the responses to alternative SMS messages.

And plan to work on these follow-on actions:

- Besides the prioritization of current projects, also get all departments involved to decide on future plans for ICT in terms of priorities, implementation, and enablement.
- Based on the test outcome, make changes to the SMS messages: what worked best?

7.8.4 Support Market Access

First priority lies with:

- Improving the training material about marketing to ensure that women are better equipped to determine their customer set and to find the markets in their near environment.
- Continue with the roll-out of business clubs.
- Develop a target list of potential partners for industry linkages.
- Start creating advertisements on OLX to test the demand. Try out different versions of advertisements and see which one has best response. The testing should be done for certain groups of beneficiaries who are sufficiently mature to deliver the products on time.

And plan to work on these follow-on actions:

- Apply the proposed framework to evaluate the target list of potential partners for industry linkages and determine which partners can be approached for possible partnerships.
- Use the OLX test results to define the long term eCommerce strategy for WEF.

8. Appendix

Acknowledgements

We are thankful to the entire team of Women Enterprise Fund for their cooperation and outstanding support throughout the CSC engagement. We would like to express our sincere gratitude to all the stakeholders for having provided valuable information that helped in drafting our final recommendations. Thanks to Digital Opportunity Trust for having provided the necessary facilities and logistics that helped in the smooth functioning of the project.

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Acronyms

BR – Bankers Realm

CSC – Corporate Service Corps

DOT – Digital Opportunity Trust

EDMS – Electronic Data Management System

ESC – Executive Service Corps

FI – Financial Institution

HiH – Hand in Hand International

HQ – Head Quarters

IBM – International Business Machines

ICT – Information and Communications Technology

ILO – International Labour Organization

KPI – Key Performance Indicator

KSH – Kenyan Shilling

MF – Micro Finance

MFI – Micro Finance Institution

MNC – Multi-National Corporation

MoU – Memorandum of Understanding

NGO – Non-Governmental Organization

SME – Small and Medium Businesses

SMS – Short Message Service

SOW – Statement of Work

WEF – Women Enterprise Fund

WEFO – Women Enterprise Fund Officer

End Notes

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