



GROWTH-ORIENTED WOMEN ENTREPRENEURS (GOWE)

KENYA PROGRAM

INDEPENDENT FINAL PROGRAM EVALUATION REPORT

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Final Report

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LIST OF ACRONYMS AND ABBREVIATIONS

AfDB	African Development Bank
AWAN	Association of Women in Agriculture Network,
BDSPs,	Business Development Service Providers
BP	Business Plan
CBA	Commercial Bank of Africa
CFC-Stanbic	Credit Finance Corporation-Stanbic
DWCP	Decent Work Country Programmes
EDN	Enterprise Development Network
ERS	Economic Recovery Strategy
ERSWEC	Economic Recovery Strategy for Wealth and Employment Creation
EYB	Expand Your Business
FAMOS	Female and Male Operated Small Enterprises
GEA	Global Employment Agenda's
GET Ahead	Gender and Entrepreneurship Together
GOWE	Growth-Oriented Women Enterprises
IFC	International Finance Corporation
ILO	International Labour Organization
IYB	Improve Your Business
KEPSA	Kenya Private Sector Alliance
KIE	Kenya Industrial Estate
KIRDI	Kenya Industrial Research and Development Institute
K-REP Bank	Kenya Rural Enterprise Program -Bank
KSh	Kenya Shilling
KV-2030	Kenya Vision 2030
MDGs	Millennium Development Goals
MGA	Minimum Guarantee Agreement
MSEs	Micro and Small Enterprises
PAC	Program Advisory Committee
PtP	Productivity through People
SIYB	Start and Improve Your Business
SMART	Specific, Measurable, Attributable, Realistic and Targeted
SME	Small and Medium Enterprises
SME SC	Small and Medium Enterprises Solutions Centre
SMEs	Small and Medium Enterprises
TOE	Training of entrepreneurs
TOT	Trainers of trainers
UN	United Nations
UNDAF,	United Nations Development Assistance Frameworks
USD	United States Dollar
WEAs	Women Entrepreneurship Associations
WED	Women Entrepreneurship Development
WEDGE	Women's Entrepreneurship Development and Gender Equality

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I met a wide range of respondents and it is not possible to thank each and every one of them individually. Let it suffice to say “thank you all for the support you provided to me”.

Although every effort was made to reflect as accurately as possible, information and data provided by the various respondents, views expressed in this report are those of the author and not of either AfDB-the financing agency, IFC-the overall project management agency, ILO-the agency responsible for capacity building or any other stakeholder. Any errors of omission or commission that may be found in this report are purely those of the author.

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EXECUTIVE SUMMARY

1.0 Overall Project Objective: The overall development objective of the GOWE-Kenya Program was to create employment and reduce poverty in Kenya through the economic empowerment of women focusing on growth-oriented women entrepreneurs and strengthening of their member-based associations and networks. This was to be achieved through three main interventions:

- Facilitating GOWEs' access to finance using an AfDB partial guarantee facility with local banks;
- Enhancing access to relevant business development services mainly through training and business mentorship; and,
- Strengthening the capacity of local BDSPs, financiers and WEAs so as to deliver services to target beneficiaries more effectively.

2.0 Project Partners and Roles: Overall, the GOWE-Kenya project was funded by the African Development Bank (AfDB) through its annual contribution to IFC's PEP Africa Programme. With the agreement and approval of both the AfDB and the IFC, the ILO was the third partner in project implementation and was responsible for providing general technical backstopping, as well as having responsibility for implementing capacity building of BDS providers, WEAs, Financial Institutions several technical components of the GOWE Kenya project. The IFC was responsible for overall management of the project. Other partners included target beneficiaries and supporting agencies e.g. business development service providers and financial institutions. The following is the list of partners and their specific roles in the project.

- The **African Development Bank (AfDB)**-which was financed the whole programme including loan guarantee, capacity building of target beneficiaries and all program management costs;
- The **International Finance Corporation (IFC)**-which was contracted by AfDB and primarily responsible for overall program management and capacity building of target mainly through training in business planning and other areas in collaboration with ILO;
- The **International Labour Organization (ILO)**-which was sub-contracted by IFC and primarily to provide some of the capacity building inputs through training of trainers (i.e. BDSPs); training of women entrepreneurs and WEAs; business mentoring; and capacity building through training of FIs in WED-CB. The training modules primarily comprised SIYB, EYB, IYB, and GET Ahead.
- **Individual Growth-Oriented Women Entrepreneurs (GOWEs)** including women enterprise associations (WEAs) -who were the main target beneficiaries of the program;
- **Business Development Service Providers (BDSPs)**-who were primarily responsible for rolling out training during and after the project cycle;
- **Selected financial institutions**-which were responsible for the provision of financial services;

3.0 Appropriateness of Selection of Partners: The choice of program partners at the design stage was in principle quite strategic from the point of view of the various program needs, synergy and project sustainability. The IFC and ILO brought into the program significant wealth of experience in financial service delivery and enterprise capacity building respectively. The choice of private sector BDSPs and relevant Government institutions was particularly strategic from the point of view of exit strategy and project sustainability. The choice of BDSPs and relevant Government institutions was particularly strategic from the point of view of sustainability of the project. The banks were justifiably selected on the basis of their willingness to participate in the project, the outcome of the due diligence process by the AfDB including the existence of an SME strategy in corporate portfolio. However, with the exception of the KREP bank, the performance of the other two banks (CFC-Stanbic and CBA) was below expectations in terms of outreach by way of loans disbursements primarily due lack of the necessary regional network, change in circumstances e.g. the merger of CFC and Stanbic which brought new management and corporate business policy.

4.0 Relevance and Strategic Fit of Program Objectives: The overall program objective strategically fitted and was well linked with the main development agenda of key international development institutions and programmes e.g. UNDAF, ILO-DWCP and ILO-WEDGE programmes. The objective also fitted very well with national aspirations and overarching development framework for Kenya which strongly emphasize the promotion of women participation in economic and equitable sharing of benefits. These include the “Economic Recovery Strategy for Wealth and Employment Creation” (ERSWEC) of 2003-which was the country’s development blue-print at the time of program design, and the “Kenya Vision 2030” (2007) which is the current national development blue print.

5.0 Validity of Program Design: The overall project design process was appropriate in that background work had already been undertaken by way of regional and national level women enterprise-targeted studies which to large extent identified the baseline condition and also priority needs of the target beneficiaries. The apparent high demand for training by the women entrepreneurs under the GOWE-Kenya project is a good indicator in this regard. Additionally, the project design process entailed significant consultations between key national public/private and project supporting partners. Objectives, outputs, outcomes, indicators and assumptions were identified at the project design stage. However, as discussed in the relevant section of this report, some of the indicators were poorly defined and did not comply with the SMART principles as enshrined in good practices in the context of program/project monitoring and evaluation framework. Nevertheless, project outputs were largely casually linked to the intended outcomes, which were in turn linked to the broader national development objectives of SME enterprise development, namely increased income generation, employment and poverty alleviation. The main anticipated outcomes, which were well aligned with the project interventions included, improved business management and access to finance which would in turn lead to increased earnings of beneficiaries, increased employment and poverty reduction. In this respect, it is worth mentioning that close to 75% of GOWE training beneficiaries who were interviewed during the evaluation mission indicated that they were now managing their businesses more professionally than before. In this regard, more than half of those interviewed during the evaluation mission stated that they had already started reaping benefits by way of cost savings and/or increased earnings.

6.0 Program Progress and Effectiveness: The two main aims of the project were to build the capacity of women entrepreneurs through training and promote access to finance. The following were the achievements:

- **Capacity Building Sub-component:** The capacity building component of the program had excellent achievements having trained up to 711 entrepreneurs in various courses and thereby surpassing the target of 180 by more than 295%. Of this total 608 or about 86% were women entrepreneurs. Although it is recognized that some of the beneficiaries underwent more than one course and therefore the possibility of double counting, at least 255 beneficiaries (comprising 206 women) took courses in SIYB, EYB, IYB, WED-CB, WEA-CB and GET Ahead. Over 456 beneficiaries (mainly women) took the BP course. A total of 46 BDSPs against a target of 40 were trained on EYB, SIYB, and mentoring courses who in turn trained 239 women entrepreneurs on the various courses-surpassing the target by about 15%. A total of 70 representatives from WEAs were trained against a target of 100-which represents 70% achievement in relation to target set by the project. Targeted financial institutions, BDSPs, WEAs and relevant line ministries departments and government agencies received training on effective design and service provision for women entrepreneurs. One FAMOS check with one of the banks was undertaken which led to improvement in the provision of services to women entrepreneurs. However this was 1/3 of the targeted three FAMOs check with GOWE Banks largely because the other banks were unwilling to undertake this service check. The final beneficiaries, particularly GOWEs are effectively using the knowledge acquired to run their businesses with some reporting positive results.

- **Financial Access Sub-component:** The performance of the financial access sub-component was also fairly good having reached 40 out of the target of 60. This translates to about 67% of the target figure-which is significant taking into account that it was not under the full and direct control of either the IFC or ILO program management and implementation team. In terms of total loan disbursement, performance was below expectation having expended only USD 2,248,862 or about 56.2% of the targeted amount of USD 4,000,000 by June 2010. This low performance was primarily linked to limitations by way of the number of selected banks and their branch network, inadequate commitment particularly by two of the selected banks (CFC-Stanbic and CBA), and the negative effect of the rather lengthy due diligence process administered by AfDB.
- **Impact on Income and Employment Generation:** It was not possible to collect adequate data and information during the evaluation mission to be able to determine the overall impact of the program by way of income generation and employment. This was primarily due to the limited time that was available for field interviews and lack of readily available financial records among the majority of those met during the evaluation mission. However two case studies during this evaluation mission indicated annual turnover increases in the order of 60-70% over a period of 1-2 years. In this respect, the evaluation mission was also informed that an earlier and quick assessment through a consultant commissioned by the IFC in December 2009 had also shown that 21 out of 38 guarantee beneficiaries that had been sampled had created a total of 165 new jobs.
- **Achievement by Intervention, Sector and Geographical Clusters:** The capacity building intervention had relatively greater achievements compared with the financial access initiative. Trade and service sectors benefited most primarily because most of the target beneficiaries were already in these sectors. Achievements by way of both interventions were relatively greater in Nairobi (where project marketing was concentrated) than in other areas. Marketing of the project among the target beneficiaries was done through local daily newspapers, exhibitions and business clinics. Despite all this, it appears that the objective of effective marketing of the project was poorly done¹. The objective of connecting women to greater and more lucrative markets had virtually no achievement.
- **Factors that Affected Program Performance:** In general, program achievements were adversely affected by both internal and external factors.
 - **Internal factors** included the slow roll out of the financial access component occasioned by inadequate commitment on the part of local banks which was also linked to AfDB's bureaucratic procedures in relation to the due diligence process; high and unanticipated staff turnover at the ILO office and some of the local banks and key government institutions; bureaucratic processes of resolving issues on between the IFC and AfDB; and the setting of the minimum loan threshold (KShs 1.5 million) at a level higher than the range desired by the potential beneficiaries of between KShs 500,000 and 1,500,00- which had been pre-established through the baseline survey of March 2007.
 - **External factors** included the 2007/2008 post election violence which halted project activities for several months; the emergence of other similar women-enterprise funding projects sometimes with more attractive terms and conditions (e.g. the Women Enterprise Fund) and the global financial crisis that rocked the world economies for most of 2008 and 2009.

¹ Resulting in the project being more associated with ILO/IFC than the AfDB and also with some target beneficiaries misconceiving the project as grant-oriented initiative at the initial stages.

7.0 Efficiency in Resource Use: Although the independent evaluation mission did not access detailed data on utilization of funds by each of the activities, there is evidence that the program used resources economically by practicing cost saving approaches. This included for example through successfully eliciting 20% contribution by capacity beneficiaries; cost-free use of ILO training manuals; production of training materials (photocopying) locally rather than using original manuals which would have been more costly; and in choice of low-cost training venues in some instances. This innovativeness on the part of project implementers assisted the project in attaining results at lower cost than it would otherwise been the case.

8.0 Effectiveness of Management Arrangements: Project management, monitoring and governance arrangements were generally in place and adequate. Each of the key implementing agencies (IFC and ILO) demonstrated adequate capacity to deliver in accordance with their respective roles and maintained effective collaboration and cooperation throughout the project. In this regard, the backstopping role by the ILO and the overall program management by IFC were played quite effectively. In principle, the program had adequate political support though commitment seemed to have been inadequate on the part of at least few government institutions. The collapse of the PAC is a case in point with respect to lack of adequate commitment. Project monitoring and evaluation framework was in place and relevant data and information was systematically collected and well targeted to women enterprises. This was through quarterly and biennial data collection initiatives. However, the problem is that such data and information seems not to have been well documented and managed across all the institutions including ILO and IFC.

Impact Orientation and Sustainability of the Project: The project had both positive and negative intended and unintended results. In particular, the capacity building subcomponent had several intended positive results. The attitude of project beneficiaries have changed with many of them now managing their businesses in a more professional manner. Project results and outcomes are likely to contribute to poverty alleviation. The sustainability of the project was strongly hinged on capacity building of BDSPs and improved business rapport with banks for continued access to credit by women entrepreneurs. However, while there has been positive impact with respect to capacity building of BDSPs, there seems to have been a problem with the ability to roll out training by these trained trainers. According to some respondents (BDSP and implementing agencies' staff) this is associated with market distortions inadvertently caused by the project's subsidization of training (at KShs 8,000-10,000 per person per 5 days instead of KShs 50,000). In this respect, it is however acknowledged that the project triggered the establishment and registration of a market based organization (Enterprise Development Network-EDN) with membership being drawn from trained BDSPs. The main agenda of EDN is to undertake training and mentoring activities for women entrepreneurs in an effective and coordinated manner. However by the time of the evaluation mission, the organization had not offered any training to GOWEs partly because they were still in the process of establishment of the organization and meanwhile the members were directly contracted to conduct all the trainings for GOWEs. On their part, the partner banks seem not to have given women entrepreneurs any special attention despite the benefits associated with the partial guarantee by AfDB.

The main main positive unintended project results included the following:

- Increased business networking among WEs who attended training courses, and also notable drive on the part of these beneficiaries towards business networking with the wider business community-with some respondents indicating that they have already made businesses as a result;
- Increased interest in establishing business networks which in fact prompted the establishment of the Enterprise Development Network (EDN) in 2009 for the trained BDSPs;
- Inculcation of entrepreneurial culture among beneficiaries of the GOWE project.

The main negative unintended project results included the following

- Distortion of market prices for training (i.e. project charges of KShs 8,000-10,000 charged by the project per person per week compared KShs 50,000-which is the estimated market price)
- Exclusion of potential borrowers by the setting the minimum loan threshold at KShs 1.5 million-which nearly all respondents felt was too high.
- Distortion of project information by virtue of using local dailies as the main dissemination channel yet most respondents indicated they rarely read newspapers. Many of the respondents indicated that they heard about the project through other people which meant as the information went from one person to the other; there were high chances of unintended distortions. In this regard, some respondents thought that the project was a grants facility.
- Limited improvement in access to financial resources due to the choice of just three local banks-the majority of which did not demonstrate innovativeness in approach so as to maximize outreach for the intended beneficiaries.

In summary, the inability of BDSPs to effectively roll out capacity building interventions by way of training and mentorship and the lack of demonstrated interest on the part of local commercial banks somehow casts doubt over the issue of project sustainability.

9.0 Conclusion: The project objectives were well aligned with the priority needs of the target beneficiaries. The project has achieved significant impact in the area of women enterprise capacity building with business growth in terms of turnover showing positive results. The respondents rated this intervention very highly and indicated that they could still attend further training in the event it was forthcoming. However, full benefits of synergy between the capacity building and financing interventions have not been derived as anticipated. This is primarily because there was limited impact in the area of improved financial access partly as a result of factors internal and external to the project:

Factors internal to the project included:

- Inappropriate choice of local bank partners some of which had very limited branch network and low orientation to SME financial service provision;
- Inappropriate loan conditionality which set the minimum threshold at a level higher than the required amount by the critical mass; and,
- The long and lengthy AfDB procedures in relation to the due diligence process.

Factors external to the project included:

- Political instability occasioned by the post election violence;
- The presence of parallel projects with more attractive financial services intervention;
- The financial global crisis;
- The high turnover of staff on the part of key partners.

10.0 Main Lessons Learned

- That there is significant demand for capacity building by women enterprises in Kenya;
- The need to market the GOWE project more aggressively and effectively through a variety of media for greater outreach and dissemination of accurate information.
- That the critical mass of potential borrowers in Kenya is in the range of KShs 500,000-1,500,000 as rightly established by the “country baseline study” regardless of the financiers’ definition of SMEs.
- That although the contents of the training modules and delivery of training were both rated highly; there is need to simplify the training modules to meet the requirements of some of the potential borrowers. In this respect, some of the project beneficiary respondents felt that the training (over a period of 5 days) was rushed while others felt that it was quite okay.
- That there is need to supplement formal training with “experiential training” whereby more visits or mentoring sessions by role models are incorporated in the training program.
- The need to set training charges at market rates to facilitate effective participation of BDSPs (trainers) and sustainability of the intervention after project exit;
- The need for the project to train beneficiaries before recommending them to financial institutions for financing to minimize the risks of financial losses-which can back fire and dent the image of the financier and implementing agencies. The case of one woman entrepreneur in Mombasa attests to this point. In this respect, she clearly said that she would not have lost money in her business as she did in 2009 had she been trained, especially in BP and IYB.
- The need for the project to develop stronger and more effective follow-up of beneficiaries for enhancement of information flow and management of the project.
- The need to simplify the due diligence procedures and aggressively market the project among other local banks especially those that have stronger orientation to SME-financing and have nation-wide branch network.
- The need to maintain strong and effective information management and documentation.

11.0 Main Recommendations

- *Market the project more aggressively* especially among BDSPs including institutions, as well as local commercial banks focusing on those that are oriented towards SME financing and have adequate branch network country-wide to facilitate easier access by women entrepreneurs.
- *If possible simplify the AfDB due diligence procedures* by utilizing information from the Central Bank of Kenya to minimize resentment on the part of local financial institutions and elicit greater interest and commitment;
- *Eliminate minimum threshold for loans* under the project so as to unblock the critical mass of potential borrowers;
- *Where possible cluster trainees into homogenous group based academic training*-possibly into two groups-those with secondary education and below and those with education above this level- and simplify the training modules for the former to make training content and delivery more sensitive to the needs of various target beneficiaries.
- *Incorporate more “experiential training” and role model mentorship* into the training curriculum-which would have profound effect on entrepreneurial culture for the target group;
- *Step up the business networking initiative* among project beneficiaries and between project beneficiaries and the wider business community and also provide technical support and mentoring the EDN;
- *Expedite the BDSPs (trainers) roll out plan* through supporting the development of innovative training approaches to ensure commercial viability on the part of service delivery and affordability on the part of potential consumers of the service;

1.0 INTRODUCTION

1.1 Brief Overview of Project Background

The African Development Bank (AfDB) has been supporting economic development of African countries since its establishment. In pursuit of this initiative, the Bank in collaboration with the International Labour Organization (ILO) undertook the study on “Assessment of Women Entrepreneurs Business Environment in Africa” in 2003 covering Cameroon, Ethiopia, Kenya, Uganda and Zambia. Arising from this study, the Bank identified Women in Growth Oriented Small and Medium Enterprises as a specific target niche with the potential for economic empowerment of women and enhancement of economic growth for African countries. The study established that some of the key constraints hindering growth of women enterprises were:

- Lack of access to business finance partly due to lack of requisite collateral ;
- Inadequate access to training and capacity building services in general;
- Inadequate access to market information and poor linkage to markets; and
- Weak capacity of women associations.

It is against this background that the “Growth-Oriented Women Enterprises” (GOWE) Kenya project was launched in November 2006. The actual implementation of the ILO’s capacity building sub-component did not however commence up until March 2007 occasioned by complications in the hiring procedures of the ILO by IFC which had been pre-selected by AfDB. More specifically, the process of negotiations between the three institutions (AfDB, IFC and ILO) which ended up in contracting ILO as grantee, took time to be put in place. The program was scheduled to run through to September 2009 but was accorded a “no-cost extension period” to April 2010.

The AfDB is the sole financier of the whole GOWE-Kenya project to a tune USD13 million comprising USD USD10 million loan guarantees and USD3 million technical assistance grant to meet the cost of providing technical assistance by ILO and management of the initiative by IFC. The budget for the ILO component amounted to USD 571,893. The Bank contracted out the overall management of the project to IFC, which subsequently engaged the ILO to provide technical support in the areas of general guidance, support to technical backstopping and implementation of several technical components. The ILO has been providing technical support to the GOWE Kenya Program for a period of two (2) years covering March 2007 to 2009 with a “no-extension” period between October 2009 and April 2010.

1.2 Project Rationale

Small businesses form the backbone of economic growth for most developing economies. This is particularly so for countries in sub-Saharan Africa where small and medium enterprises provide livelihood and employment of the bulk of the people. In Kenya, about 50% of small and medium enterprises (SMEs) are owned and operated by women. However, these entrepreneurs face a myriad of challenges that limit growth of their businesses and hence their empowerment and “voice in society”. Some of the most constraining factors include lack of entrepreneurial capacity among women business community and access to credit primarily due to lack of requisite collateral.

It is in recognition of this fact that AfDB made a decision to sponsor GOWE in Kenya with the main objective of increasing access to credit for the women and providing them with technical assistance. While the International Finance Corporation is managing the program on behalf of AfDB, the International Labor Organization (ILO) is the technical adviser to the program.

The GOWE-Kenya project was designed with the need to have direct and indirect synergies with the ongoing and planned programmes and activities of the three key executing partner organizations as follows:

- (a) Linkages with ILO's Women's Entrepreneurship Development and Gender Equality (WEDGE) program activities in Kenya, other African countries and globally.
- (b) Linkages with IFC's PEP Africa programme and its SME Solutions Centre (SSC) in Kenya; and
- (c) Other related AfDB initiatives.

The GOWE-Kenya program operated within the context of the ILO's Decent Work country program agenda for Kenya. The Decent Work Country Programs (DWCPs) are the result of tripartite negotiations and are the main instruments of ILO cooperation with its Member States. The aim is to make full and productive employment and decent work for all a central objective of relevant national and international policies and of national development strategies.

As a specialized agency of the United Nations (UN), the Millennium Development Goals (MDGs) are central to what the ILO is trying to achieve. GOWE is directly concerned with the third millennium goal; namely; to promote gender equality and empower women -through specific measures to redress the power imbalance between men and women. Poverty reduction, the first and overriding MDG, is also an underlying objective of the ILO's work in women's entrepreneurship. The ILO believes that discrimination against women impedes economic growth and causes poverty. Conversely promoting women entrepreneurs is a way to promote women, redress gender imbalances, and attack poverty.

1.3 Program Components, Objectives and Activities

The overall development objective of the GOWE-Kenya Program has been to create employment and reduce poverty through economic empowerment of women and strengthening of member-based women associations and networks. The overall project strategy involved three (3) major components:

- (a) *Provision of lines of loan guarantee to selected financial institutions to facilitate GOWEs access to financial services.* In this regard, the project provides a partial credit guarantee (50%) facility extended through selected local banks, thereby effectively lowering collateral requirements by half on the part of the potential women-enterprise borrowers. The main objective of the loan guarantee facility that is supported by AfDB is to share risks with the lending financial institution. The underlying principle is that in the event one party to a transaction fails to perform as agreed, the third party promises to compensate the aggrieved party in full or partially so as to reduce the loss incurred due to non-performance of the other party.
- (b) *Capacity building in various Business Development Services(BDS) and related approaches, building Women Enterprise Associations (WEAs) and gender mainstreaming for project beneficiary institutions and agents (women entrepreneurs-Wes), BDS providers and financial institutions;*
- (c) *Increased access by GOWE target groups to business development services in various forms to be delivered in a gender-sensitive manner;*

The GOWE Kenya project supports women entrepreneurs through a combination of investments and advisory services with the aim of helping their business grow. It also works to build better and friendlier enabling environment for women entrepreneurs through a number of approaches:

- Helping women-owned businesses SMEs to gain access to a wider array of financial services partly by lowering collateral requirements by lending institutions;
- Improving the management and business capacity for women-owned businesses towards supporting their growth;

- Building the capacity of Business Development Service Providers (BDSPs), financial institutions and other program partners to enable them provide timely and quality business services;
- Providing women entrepreneurs with support services, mentoring and leadership development;

The target beneficiaries are small and medium GOWEs with proven growth potential, financial institutions, Women Entrepreneur Associations (WEAs) and local BDSPs. Eligibility for GOWEs loans included the following:

- A legally registered small or medium enterprise;
- The business has been in operation for at least 2 years (start up businesses are not eligible);
- At least 51% of business must be owned by a woman or women;
- Women must be in the management at the executive level;
- Loan request must be between US\$ 20,000 and US\$ 400,000;
- The woman business owner must contribute 20% of the project's cost;
- Presentation of a business plan that demonstrates real business growth potential.

1.3.1 Program Objectives

As contained in the ILO project log frame, the immediate objectives of the program were as follows:

- **Immediate Objective 1:** To build technical capacities of BDS providers, Women Entrepreneurs' Associations (WEAs), Financial Institutions (FIs) and other support agencies for them to have greater outreach to GOWEs and provide an improved quality and range of gender aware services to the designated target groups.
- **Immediate Objective 2:** To ensure high quality and timely inputs from ILO for quality control and assurance purposes, and facilitate networking for effective knowledge and information sharing.
- **Immediate objective 3:** Launch and market the GOWE-Kenya project to reach out to women and improve their access to financial support mechanisms, BDS provision and representative associations.
- **Immediate objective 4:** To connect women to greater and more lucrative markets and market linkages, among private sector firms, and in international markets.
- **Immediate objective 5:** In close collaboration with IFC PEP Africa, to assess the impact of the project's support interventions on the two main target groups, i.e. member-based associations, women and service providers.

1.3.2 Program Activities

The main program activities which were jointly undertaken by IFC and ILO comprised the following:

- Capacity Building through training and Improved Access to Financial Services primarily under the stewardship of the IFC
 - Promote access to finance by women entrepreneurs;
 - Training of BDSPs and women enterprises in business planning (BP);
- Capacity Building primarily under the stewardship of the ILO in terms of training of BDSPs and women entrepreneurs as follows:
 - Expand Your Business (EYB) training of trainers;
 - Improve Your Business (IYB) training of trainers;
 - Improve Your Business training of entrepreneurs (IYB-ToE);
 - Women Entrepreneurship Development (WED) training of financial institution officers;
 - Women Entrepreneurship Association (WEA) leaders training;
 - Mentorship training

1.4 Purpose and Scope of the Evaluation

Following the agreement during the evaluation mission launching meeting with IFC, the overall purpose of the assignment was to evaluate the performance and achievements of the GOWE-Kenya project with respect to relevant activities by the IFC and the ILO; bring out lessons learned and make relevant recommendations for improved project performance. More specifically, and as per the terms of reference which were provided specifically by the ILO, the objectives of the evaluation are:

- To clarify the extent to which the expected results and outcomes have been achieved as measured against initial project goals, objectives, results and outputs; and to examine progress, achievements, good practices, and lessons learned from the implementation of the project;
- To provide an opportunity for the International Labour Office and its funding partners to assess the appropriateness of design as it relates to the organization's strategic and national policy framework, and consider the effectiveness, efficiency and sustainability of project outcomes.
- To test underlying assumptions about contribution to a broader development goal;
- To offer strategic and operational recommendations as well as highlighting lessons learned during project implementation with the aim of informing future direction of the project and contribute to organizational learning.

The evaluation aims at providing insights from the views of programme management at IFC-GOWE, and the implementers in the ILO-GOWE, ILO-WEDGE and partner organizations, programme administrators, and programme target groups and beneficiaries. The evaluation include all activities and programmatic coordination and management undertaken by the ILO-GOWE programme during the period March 2007 to March 2010, and also takes into account all the initiatives and the synergies between ILO-GOWE programme and other initiatives and programmes such as ILO-WEDGE programme vis-à-vis the priorities and strategic focus of the United Nations Development Assistance Frameworks (UNDAF) of and the Decent Work Country Programme.

The evaluation covered selected geographical locations where target beneficiaries were drawn from including Nairobi, Mombasa and Kisumu. The study areas were selected on the basis of two things. That is areas with the critical mass of beneficiaries (GOWEs) and where both capacity building and financing interventions were actually implemented.

2.0 EVALUATION METHODOLOGY AND APPROACH

The evaluation was conducted between main methodology and approach for the evaluation comprised the following:

- Literature review of relevant key documents;
- One-on-one and focused group field interviews with the following:
 - Selected GOWE Clients/target beneficiaries including individual women entrepreneurs, WEAs for selected areas (Nairobi; Mombasa, Kisumu and Nakuru);
 - Individual and institutional BDSPs providers;
 - Financial institutions (KREP);
 - Implementing agencies (IFC and ILO) and the financier (AfDB-Tunis).
- Partner Government institutions (Ministry of Youth Affairs and Sports);
- General observations by the consultant;

3.0: MAIN FINDINGS

3.1 RELEVANCE AND STRATEGIC FIT WITH OTHER DEVELOPMENT INITIATIVES

The overall objective of the GOWE-Kenya project was to promote sustainable growth of SME women enterprises through capacity building and improved access to credit and other financial services with the aim of empowering women and enhancement of their equitable participation in economic development. This objective is not only relevant but also strategically fits with economic development agenda of key international development institutions programmes and objectives as well as Kenya's national aspirations. The sections below briefly examine the extent to which the interventions of the project were consistent with target beneficiaries' needs, national development priorities and development agenda of partners/donor policies.

3.1.1 Needs and Requirements of Target Group

The GOWE-Kenya project was launched in November 2006 or about 4 months before the completion of the "Country Baseline Survey of GOWE" in March 2007. Although the project was designed against the background of the five country study conducted by AfDB and ILO (mentioned earlier), logically, the Kenya country baseline survey should have been carried out before the design and launching of the GOWE-Kenya project to take full advantage of the findings specific to the local situation as this may vary from country to country. That notwithstanding, priority needs and requirement of GOWEs in Kenya as identified by the baseline survey of March 2007 largely coincided with those that had been envisioned by the project at conception stage as supported by the following excerpt from the survey report.

BOX 1

"SMEs experience various problems that limit their growth resulting to slow progression to medium and large enterprises. The three key problems cited in-order of severity were: Inadequate markets (89.5%), inadequate access to business credit (84.1%) and high costs of doing business by 78.3%. Other constraints cited that require lobbying and advocacy are: insecurity, poor road infrastructure, competition from counterfeit products, cumbersome business licensing and registration and inadequate skills to manage the enterprises"

Source: Country Baseline Survey for GOWE; March 2007

3.1.2 Economic Recovery Strategy for Wealth and Employment Creation

At the time of GOWE-Kenya program conceptualization and design, the Economic Recovery Strategy for Wealth and Employment Creation (ERSWEC) of 2003 was the country's blue print that stipulated national development aspirations. The blue print was not explicit with respect to the objectives of promoting small and medium women enterprises in the way envisioned under the GOWE-Kenya program. Nevertheless, statements from various parts of the document stated as follows:

BOX 2

"Existing research suggests that factors responsible for the poor performance of the productive sectors other include the high cost engaging in productive activities, high cost of capital; particularly for medium and small enterprises..... The broad objective of the social sector is to reduce poverty and narrow inequality... A number of Participatory Poverty Assessment (PPA) surveys carried out in the 1990s, the poor attribute their poverty to natural calamities and traditions and cultural beliefs that deny women access to productive assets" (GOK; ERSWEC-2003)

3.1.3 Kenya Vision 2030

The Kenya Vision 2030 of 2007 which succeeded the ERSWEC is the latest national blue print for over socio-economic and political development framework and priority strategic areas for Kenya. With regard to gender development support and empowerment of women, the Government's objective is to increase opportunities for women, youth and all disadvantaged groups by 2012 and beyond. Specific strategies involve increasing participation of women in all economic, social and decision-making processes, improving access of all disadvantaged groups and minimizing vulnerabilities through prohibition of retrogressive practices. More specifically the Kenya Vision 2030 states follows:

BOX 3

"The 2030 vision for gender, youth and vulnerable groups is gender equity in power and resource distribution, improved livelihoods for all vulnerable groups, and responsible, globally competitive" and prosperous youth".

(GOK; Kenya Vision 2030 of 2007)

3.1.4 United Nations Development Assistance Framework

The Goal of United Nations (UN) socio-economic assistance is to pursue a rights-based approach to development with special focus on poverty reduction including the minimization of gender disparities. To achieve this goal, and in support of member-nations development initiatives including Kenya, the United Nations Development Assistance Framework (UNDAF) prioritizes four strategic areas of support along with cross cutting issues in Kenya as summarized below.

- Improving governance and realisation of human rights;
- Empowering people who are poor and reducing disparities and vulnerabilities;
- Promoting sustainable and equitable economic growth for reduction of poverty and hunger;
- Cross-cutting issues including addressing of gender equality; HIV/AIDS prevention; migration and displacement climate change; peace and reconciliation.

This provides collaborative programming where appropriate as part of the implementation of the UNDAF to ensure complementarity and synergy in their efforts as well as those of other development partners as they respond to national governments development priorities. Economic empowerment of growth-oriented women entrepreneurs through capacity building and enhanced access to financial services strategically fits with at least two of UNDAF's priority areas listed above. That is empowerment of the poor and reduction of disparities and vulnerabilities; as well as promotion of gender equality.

3.1.5 ILO-Decent Work Country Program

The overall goal of the ILO is to promote opportunities for decent work for women and men in all countries through provision of technical and institutional assistance to constituents in Member States. The Decent Work Country Program (DWCP) is "a programming tool to deliver on a limited number of priorities over a defined period" in order to "increase the impact of the ILO's work" and to be "more visible and transparent". The DWCPs are the primary means for ILO's provision of assistance at the country level. To ensure compatibility with national aspirations, the DWCPs are developed with the active participation of the social partners and are therefore a program "in support of constituents, national policy and institutions". The DCWP has four elements focused on employment and poverty alleviation through productive work for women and men; rights for both

women and men; participation in shaping national development agenda through dialogue; and social protection which safeguards income and underpins health.

It is worth noting that the ILO- DCWPs are also aligned with Paris Declaration on Aid Effectiveness, the Rome Declaration on Harmonization and the Millennium Declaration call for a global partnership in development. At the national level, the DCWPs carefully translates the demands for harmonization, aid effectiveness and alignment into a coherent country-level response that is aligned with national development blue prints including the Poverty Reduction Strategy Paper (PRSP); the ERSWEC 2003 - 2007, and the Kenya Vision 2030 of 2007 which is the current blue print for national development.

3.1.6 Complementarity of the GOWE-Kenya Program with other ILO Country Initiatives

The GOWE-Kenya project complemented very well with the ILO's Women's Entrepreneurship Development and Gender Equality (WEDGE) Program. The objective of WEDGE is to ensure that women and men have equal access to economic resources and business support to enable them start, formalize and grow their businesses. The program also contributes to the elimination of discrimination in labour markets by focusing on policy issues that affect women entrepreneurs. The program which has three key approaches namely; developing the knowledge base on women entrepreneurs; promoting representation, advocacy and voice; and developing innovative support services for women entrepreneurs. The ILO-WEDGE program had perhaps the strongest complementarity with the project through use of the WEDGE training resources in the trainings of GOWEs, BDSPs, participating banks and other institutions including government ministries and parastatals. This was delivered through the following training modules which were provided to TOTs and subsequently rolled out to GOWEs themselves.

- (i) Start and Improve Your Business (SIYB);
- (ii) Improve Your Business (IYB);
- (iii) Expand Your Business (EYB);
- (iv) Women Entrepreneurship Development Capacity Building
- (v) Women Entrepreneurs Associations Capacity Building
- (vi) FAMOS check

3.2 VALIDITY OF PROJECT INTERVENTIONS AND DESIGN

This section evaluates the extent to which the project interventions and design were logical and coherent.

3.2.1 Target Beneficiaries' Needs Assessment, Relevance and Project Design Process

The design and formulation of the project was logical and coherent. This conclusion is based on the fact that the needs of the target beneficiaries had previously been identified through a GOWE-focused study carried jointly by AfDB and ILO in 2004 covering Cameroon, Ethiopia, Kenya, Uganda and Zambia. The study-which formed the basis for the formulation of project interventions-had identified the priority requirements of target SME women enterprises which included the need for capacity building of women entrepreneurs and WEAs; enhanced access to finances, access to business development services and market information; business networking and access to markets among others.

Additionally the baseline condition of growth-oriented women entrepreneurs in Kenya at the beginning of the project was established through the *"Country Baseline Survey of Growth Oriented Women Enterprises"* for Kenya which was undertaken in March 2007. The study covered 914 respondents of whom 864 were individual women entrepreneurs, twenty three (23) were business associations and twenty seven (27) were business development service providers. Some of the salient findings of the study which informed project design included the following:

- That about 81% of the women had secondary school education and above-which suggested possibilities for effectiveness of training;
- That about 88% of the women interviewed were running their enterprises on fulltime basis-which suggested that the program would benefit by way of women involvement commitment to their businesses;
- That about 70% had been in business for 7 years and above-an indication of accumulated business experience and sustainability;
- That about 57.4% of the respondents were in the trade sector, while about 32.4% and 10.2% were in the service and manufacturing sector respectively-a pointer to the sectors with the critical mass of target beneficiaries ;
- That about 84% of the GOWEs interviewed were operating registered businesses-which suggested opportunities for formal involvement of financial institutions with respect to credit provision;
- That about 72% of women interviewed owned 76-100% of shares in the business they operated-which suggested the possibilities for direct benefits and impact on the target beneficiaries businesses;
- That about 77.3% of GOWEs interviewed had employed 2-5 workers;
- That about 85% of the enterprises relied on local markets for sale of their products and/or services-which meant limited access to international markets;
- That only about 6% of the GOWEs interviewed had accessed credit from commercial banks-with the rest 84% borrowing from informal sources primarily due to lack of requisite collateral.
- That about 56% of GOWEs interviewed indicated that they would need loans ranging from KShs 500,000-1,500,000;
- That the key constraints facing growth of businesses for those interviewed in order of severity included:
 - ✚ Inadequate markets (89.5%)-primarily due to lack of market information, weak networking, poor business planning and marketing strategy;
 - ✚ Inadequate access to business credit (84.1%);
 - ✚ High costs of doing business (78.3%)-primarily due to poor infrastructure and cumbersome business licensing and registration;
 - ✚ Weak entrepreneurship and inadequate business and financial management skills;

To the extent that these findings (which were also used for the project design) were focused purely on special needs for women enterprises, the interventions-which focused on facilitating access to credit through the AfDB-supported credit guarantee and capacity building through training in entrepreneurship development-were largely gender sensitive.

3.2.2 Appropriateness of Project Design Process

Ideally, project design and determination of appropriate interventions should be based on consultative interactions between all parties concerned with a given project-in this case the financier (AfDB); managing agencies-in this case IFC and ILO; target beneficiaries-in this case GOWEs; support service providers (BDSPs) and other players (e.g. relevant public and private institutions, local and international agencies and programs). The process towards the design of the GOWE project involved consultations with relevant stakeholders for a period of about two years. The stakeholders included private sector actors including selected financial institutions and BDSPs as well as public sector institutions such as the Ministry of Finance and Ministry of Trade-both of which attended the launching of the project². However, it was observed during the evaluation mission that despite the consultations, there seemed to have been inadequate understanding of the objectives and implementation approach among some of the stakeholders. This came out clearly from some of the women entrepreneurs interviewed during the evaluation mission who indicated that they thought once trained, they would automatically access financing-which they thought was grant-based. The evaluation mission also observed that although some partners (Government institutions and banks) adequately

² There was no ministry for gender at the time but when it was established, they participated in the program clinic which was held at the Kenyatta International Conference Centre.

supported the project at the early stages, this somewhat diminished with time as attested by eventual collapse of the Project Advisory Committee. In other words, the support seemed more in principle than practice. For the financial institutions, it is worth mentioning that CBA and IFC had indicated interest in participating in the project (with for example CBA being very active at the initial stages) uptake slowed down rather fast due to change in the way the targeted SMEs were defined which necessitated putting appropriate structures in place. Additionally, it may be worth mentioning that the merger of CFC and Stanbic Bank also complicated the situation by way of changes in internal corporate policy which in some way were different at the time CFC was undergoing the due diligence process.

3.2.3 Attribution of Project Outputs to Outcomes

The GOWE project had essentially two broad interventions; namely technical capacity building through training and increased access to relevant BDSs; and improved access to financing through AfDB partial loan guarantee to selected local banks training. Project outputs were casually linked to the intended outcomes, which were in turn linked to the broader national development objectives of SME enterprise development, increased income generation, employment and poverty alleviation.

The main anticipated outcomes, which were well aligned with the project interventions included, improved business management and access to finance which would in turn lead to increased earnings of beneficiaries, increased employment and poverty reduction. Through capacity building by way of training some of the project beneficiaries indicated that they were now managing their businesses more professionally than before, and had already started reaping benefits by way of cost savings and increased earnings. A few of those who benefited from the partial loan guarantee scheme also indicated increase in turnover. For example, two project beneficiaries indicated that their business turnover had increased as a result of training and or financing under the GOWE project. One woman entrepreneur dealing with funeral services indicated that her annual turnover had increased from KShs 200,000 to KShs 500,000 per month or about KShs 2.4-6 million per year representing a growth rate 150% in just a year. Another woman entrepreneur who is dealing imports of animal medicine and veterinary equipment indicated that her annual turnover had increased from KShs 22 million in 2007 to KShs 37 million in 2008 which represented over 68% increase in annual turnover. In this respect, it is also worth noting that IFC's survey of December 2009 indicated that 21 out of 38 guarantee beneficiaries in had an average increase in turnover of about 15.7% against the project target of 10%³.

While the bulk of the outcomes were definitely as a result of project outputs, it is also acknowledged that extraneous interventions under other SME technical capacity building and financing initiatives also played supplementary roles. These would include for example the Government-funded Women Enterprise Fund and the Youth Fund. It was however not possible to establish how many of the GOWE program clients had benefited from these other programs.

3.2.4 Project Partners-Role and Performance

The main project partners, their respective roles and performance are summarized below:

- (i) **AfDB**-whose role was in financing the project implementation cost as well credit guarantee to the target beneficiaries through its contribution to IFC's PEP Africa Programme;
- (ii) **IFC**-whose role was overall management of the two components, namely; capacity building and the guarantee facility;
- (iii) **ILO**-which with the agreement and approval of both AfDB and IFC/PEP Africa as the third partner in project implementation-was responsible for providing general guidance, support and technical backstopping. The ILO was also responsible for implementation of several technical components

³ This is based on information orally provided by IFC as the valuation mission was not provided with the survey report

- including training of trainers of the GOWE-Kenya project and by carefully linking project activities to relevant components of its other regional and global activities e.g. the WEDGE program.
- (iv) **Local banks**-comprising the Kenya Rural Enterprise Program (K-REP), CFC and Commercial Bank of Africa (CBA)-whose role was in providing GOWEs with credit with partial guarantee (50%) by the AfDB;
 - (v) **BDSPs**-including public e.g. the Ministry of Youth and Sports, the Kenya Industrial Estate (KIE), the Kenya Industrial Research and Development Institute (KIRDI) and Technoserve, as well as private consulting firms/individual service providers whose role was in capacity building through training of entrepreneurs (TOE) comprising GOWEs;
 - (vi) **GOWE Advisory Committee**- comprising nine (9) representatives drawn from the Ministry of Trade (1); ILO (1); IFC (1); AfDB (1); WEAs (1)-represented by a person from the Kenya Private Sector Alliance-KEPSA; local banks (3) and BDSPs representative (1). The responsibility of the advisory committee was in overall guidance of project implementation to ensure effectiveness and efficiency with respect to objectives, outputs, outcomes and impact;
 - (vii) **WEAs and GOWEs**-who were the target beneficiaries and whose role was to carry out advocacy/ lobbying and their respective individual/corporate businesses utilizing skills acquired through training provided in the form of various modules by trainers by the ILO;

Based on the views of respondents interviewed during the evaluation, and observation of the consultant, except two of the local banks, the rest of the other partners (AfDB, IFC, ILO, WEAs/GOWEs and BDSPs) performed generally well. Specific performance is summarized below:

- The AfDB tracked performance of the project effectively but in some instances failed to release project funds;
- The IFC carried out its management and project coordination functions fairly well thereby contributing to the achievements of the project;
- The ILO delivered their training of trainers (TOT) initiative exceptionally well and according to those who benefited from the training, the trainers themselves, the contents of the modules and the delivery of training were excellent. While the ILO in liaison with external collaborator also developed a gender mainstreaming guide for practitioners in Values Chain Analysis and Development and also conducted a two one-day pilot participatory trainings/ workshops with GOWE women handloom and export entrepreneurs October 2007, the organization failed to make any progress with respect to market linkages for GOWEs.
- The BDSPs performed very well in delivering the training based on the views of virtually all of the beneficiaries of the capacity building initiative of the project. The BDSPs have however not been able to roll out training of GOWEs as a business on their own as was anticipated, but the evaluation mission also acknowledges that they could, of their own choice, deliver the same training to SMEs without necessarily in support to the Program. Some of them have already expressed interest to be licensed to carry the ILO logo as Trained Trainers to give their training credibility and increase acceptance. The BDSPs are aware that they can charge the market rates for the courses they organize themselves but according to some respondents, the training as a business for the caliber of target beneficiaries (small and medium GOWEs) is not commercially viable at the cost the GOWE project was charging (KShs 8,000-10,000 per week inclusive of venue and food).
- The WEAs and individual GOWEs also performed very well in that they paid and attended training sessions with minimal absenteeism, and were also proactive in preparing business plans, approaching the banks, consulting ILO and IFC staff as well as networking between themselves for purposes of learning from each other and for business growth.

- **Local Banks:** The performance of the other local banks was below expectations. Even KREP- which had shown greater interest in the project and attained the greatest outreach by way of number of loans (65%) and loan disbursement amount (53%)- also faced own internal challenges especially staff mobility. Despite showing interest and formally endorsing the project initiatives at the launch of the project, their actual commitment and timely release of credit by the local has been very slow indeed.
- **GOWE Program Advisory Committee:** The performance of the Committee which was supposed to meet at the end of each quarter was also below expectations. That is while there was good commitment and attendance of members at the early stages of the project, the situation deteriorated over time occasioned by the failure of most members to attend meetings ultimately leaving only the ILO and IFC members attending thereby negating the initial purpose of establishing the committee. Despite efforts by IFC and ILO to keep the Committee going, it eventually collapsed. Due to time limitations, it was not possible to establish why the interest of PAC members declined with time.

3.2.5 Appropriateness of Selection of Partners

The main objectives of the project were business development capacity building for GOWEs through business management and entrepreneurship training as well as promoting access to financial services including credit. As such informed selection of partners was necessary to facilitate effective and efficiency in the implementation of interventions towards these goals. As mentioned earlier in the report, the AfDB was the sole financier of the project (project costs and provide partial guarantee), while the IFC was to primarily responsible for overall project management and training in BP, and the ILO for technical support through training of trainers, BSDPs to train GOWEs and banks to provide credit

The selection IFC, ILO and BSDPs (mainly private sector) as project partners was strategic from the point of capacity and mandate of influence, synergy, project sustainability and complementarity of roles, particularly for the following reasons:

- The IFC-whose one of the key pillars in Sub-Saharan Africa is SME development-brought to the project over 20 years of wealth of knowledge and experience in the areas SME financing and advisory services. In particular the IFC brought in wealth of experience in relation to their involvement in similar projects such the African Project Development Facility (1996-2005) and Africa Enterprise Facility (1998-2002). As the overall GOWE Kenya project management agency, it also fronted AfDB's physical presence in Kenya whose private sector department did not have.
- The ILO, which has actively been promoting and supporting women entrepreneurs and women associations, brought a wealth of experience in three main areas: (i) Technical capacity building for women-based SMEs through training; (ii) Promotion of organization, representation and voice for women entrepreneurs and advocacy for their effective participation and sharing of benefits arising from economic and enterprise development; and (iii) Adapting and developing innovative support services, tools, guides and training manuals in support of women entrepreneurs and their associations.
- The inclusion of BSDPs as trainers was ideally also strategic from the point of view of sustainability of the technical capacity building initiatives under point of view.

With the exception of KREP, the selection of partner banks turned out not to be strategic for two main reasons:

- Financial services of both CFC and CBA were largely pre-disposed towards corporate clientele with limited involvement and empathy of SMEs.
- Both CFC and CBA had very few branch networks country-wide and limited presence at the grass roots level, thereby hampering GOWEs' access by the GOWEs. For instance, at the start of the project CFC and CBA had each only 2 branches country-wide (Nairobi and Mombasa).

The GOWE respondents met during the evaluation strongly felt that the choice of banks was not sensitive to women enterprises. It is acknowledged that the selection of the three local banks was based on their willingness to get involved in the project and results in as far as due diligence evaluation was concerned. However, and in retrospect, involvement of banks such as Equity Bank, Family Bank, Kenya Commercial Bank, Cooperative Bank of Kenya and National Bank of Kenya all of which have a wide network and with relatively greater orientation to SME financing especially women enterprises would have been more strategic. It is nevertheless also acknowledged that recent efforts by the IFC in approaching the Kenya Commercial Bank and the National Bank of Kenya was prudent move under the circumstances, despite the fact that the efforts failed to bear fruits due to lack of cooperation on the part of these banks. Even Family Bank who have undergone the due diligence process are yet to fully comply with the requirements. Thus although selection of banks with adequate regional network would have been an important criterion, eliciting effective and long term interest on the part of these banks would have greatly helped the project in achieving its goals. In this regard, subsequent approval by the AfDB board to include any willing local bank into the program is commendable.

According to a significant number of respondents, Cooperation of partners especially between the AfDB, IFC and ILO and was fairly good as demonstrated by regular consultations and coordination of activities. The BSDPs as well as the GOWEs cooperated very well with other players. However, with the exception of KREP –which had gone through the first FAMOs check assignment in May 2008, cooperation of local banks and public institutions (e.g. the Ministry of Youth and Sports; Ministry of Gender and of Children Affairs and KIRDI) was more in theory than practice.

3.2.6 Underlying Project Risks, Assumptions and Challenges

Important risks and assumptions built into project design and the resultant situation are summarized below⁴. These risks and assumptions especially with respect to political and economic stability, staff turnover; commitment and effective participation of some of the local partners (mainly banks) were indeed crucial to the performance of the project.

⁴ Mainly based on ILOs project log frame.

Table 1: Risks and Assumptions and the Resultant Situation

Risks and Assumptions	Ensuing Situation
<ul style="list-style-type: none"> That political and economic stability in the country would prevail; 	<ul style="list-style-type: none"> Kenya experienced one of her worst political instabilities since Independence which was occasioned by the post-election violence (from December 2007 to February 2008); The national economy and businesses were also adversely affected by the global financial crisis.
<ul style="list-style-type: none"> No deterioration of the condition of local infrastructure 	<ul style="list-style-type: none"> The local infrastructure especially in the rural areas has continued to worsen adversely affecting the cost of doing business and hence business performance.
<ul style="list-style-type: none"> That interest and commitment of project partners would be forthcoming and such players would maintain active participation; 	<ul style="list-style-type: none"> There was significant participation and commitment on the part of ILO, IFC, BDSPs, GOWEs, WEAs and KREP, but there was limited participation by other accredited banks, public institutions including ministries and parastatals;
<ul style="list-style-type: none"> That funding by AfDB through IFC/PEP Africa would be forthcoming and in a timely manner; 	<ul style="list-style-type: none"> The AfDB released the required funds in a timely manner- There were initial delays in funds which delayed kick-off of some activities but after funds were released the Program moved smoothly.;
<ul style="list-style-type: none"> That ILO's support and prioritization WED work would be continued; 	<ul style="list-style-type: none"> ILO's focus on women enterprise development was strongly pursued;
<ul style="list-style-type: none"> That ILO would be in a position to provide quality capacity support in a timely manner; 	<ul style="list-style-type: none"> ILO demonstrated exemplary technical capacity and commitment to the project objectives.
<ul style="list-style-type: none"> That for gathering the baseline data, women entrepreneurs would effectively participate in longitudinal impact assessment procedures and cooperate in surveys 	<ul style="list-style-type: none"> The country baseline survey was carried out in March 2007 providing detailed information on data necessary for project impact assessment.

While the above risks and assumptions were well recognized at the project design stage (with some coming to bear) other challenges that adversely affected the performance of the project but had not been foreseen included the following:

- The emergence of other, and in some instances more attractive SME/women enterprise-focused financing and capacity building facilities including⁵:
 - The Government-funded Women Enterprise Fund (WEF) amounting to KShs 2 billion which was subsidized (8% per annum) thereby distorting the market⁶;
 - The Government-funded Youth Fund amounting at an interest rate of 8% per annum;
 - The Equity Bank/UNDP KShs 5 billion Programme to promote women in business and investment in Kenya;
 - The Family Bank women-targeted business startup and training fund;
 - The Kenya Commercial Bank facility targeting women entrepreneurs damped "Grace Loan";

⁵ It was however not possible during the evaluation mission to access data/information to be able to carry out comparative performance assessment of these financial products vis a vis the GOWE project.

⁶ The Organization of Women in International Trade (OWIT) was one of the beneficiaries.

- The cost-free IFC–SME solution centre entrepreneurs training program which has been offering SME training parallel to the GOWE training initiative based on cost sharing arrangement with the clients as a way of promoting market rates access to BDS.
- Bureaucratic and slow procedures in processing loans by the participating banks resulting in fatigue on the part of GOWEs clients and therefore slow uptake;
- High turnover of staff on the part of key partners as turned out to be the case for the ILO GOWE project staff, local banks and Government ministries thereby adversely affecting institutional memory and smooth implementation of project activities;
- Slow and bureaucratic procedures on the part of IFC/AfDB consultations and approval of project matters. The no-cost extension is an example of a matter which took six months to be resolved thereby negatively impacting on the ability by the ILO-GOWE to plan for activities well in advance.

3.2.7 Project Objectives, Outputs and Appropriateness of Indicators

From the very outset, it is worth mentioning that documentation, data and information anticipated project outputs, targets and achievements for both the ILO and IFC subcomponents were not well kept and the consultant depended on a variety of sources with data availability accessed in haphazardly. The overall project objective, immediate objectives, outputs and achievement indicators were identified at the start of the project as follows:

Table 2: Summary of Project Objectives, Outputs and Achievements		
Overall Project Objective: To enhance economic growth and contribution of Kenyan women through facilitating access to finance using an AfDB partial guarantee scheme with local banks; enhancing access to relevant business development services mainly through training and business mentorship; and strengthening capacity for service delivery of local BDSPs, financiers and WEAs.		
Immediate objectives	Outputs	Performance Indicators
Immediate Objective 1: To build technical capacity of BDSPs, WEAs, financial institutions and other support agencies for greater outreach of GOWEs and provide an improved quality and range of gender-sensitive services to the target beneficiaries;	• Output 1.1: capacity building provided for BDSPs through ILO-WEDGE WED-CB;	<ul style="list-style-type: none"> • Number of courses provided • Number of persons trained. • Improved outreach to GOWEs through higher GOWE participation • Increase in GOWE/WE specific (BDS etc) products and services
	• Output 1.2: Business training and BDS programs/manuals for GOWEs adapted and/or developed based on the existing or pipeline (i.e. under preparation) tools of the ILO (e.g. EYB; PtP IYB).	<ul style="list-style-type: none"> • IYB, EYB & PtP manuals produced and utilized in GOWE project component • BDSPs selected as project partners and implementing agents for ILO training tools • Licenses granted for provision of ILO publications to GOWE project to support BDSPs in carrying out gender sensitive BDS supply and demand analysis
	• Output 1.3: Technical support effected through ILO existing regional SIYB and EYB project facility for related BDS outputs	<ul style="list-style-type: none"> • Number of partner organizations contracted • Number of trainers/resource persons trained • Number of GOWEs assisted through training • Improvements of GOWEs; business operations-sales, profits, markets etc
	• Output 1.4: ILO inputs effected for implementation in the context of the GOWE-Kenya project's mentoring & follow-up.	<ul style="list-style-type: none"> • Number of TGs receiving mentoring • Number of follow-ups conducted and reports produced
	• Output 1.5: WEAs and other member-based business organizations have associative skills developed, with enhanced capacities, more service offerings and larger membership.	<ul style="list-style-type: none"> • Number of associations assisted (WEAs and others) • Number of members trained • Increase in membership • Increase in outreach and support services provided
	• Output 1.6: Gender awareness and gender mainstreaming capacities of FIs, BDSPs, WEAs and other project partners developed to improve outreach to GOWEs and all WEAs.	<ul style="list-style-type: none"> • Improved outreach and gender sensitivity of partners • More WE/GOWEs served • Improvements effected in promotional approach and service offerings
Immediate Objective 2: To ensure high quality and timely inputs from ILO for quality control and assurance purposes, and	• Output 2.1: Technical support and backstopping provided by ILO to ensure consistency and quality of ILO inputs, adaptations and materials;	<ul style="list-style-type: none"> • Number of ILOs missions fielded • Mission reports, recommendations and implementation effected • Qualitative improvements effected in GOWE project

facilitate networking for effective knowledge and information sharing	<ul style="list-style-type: none"> • <u>Output 2.2:</u> Technical and networking linkages with the ongoing ILO WEDGE and related activities in Africa and elsewhere established and developed. 	<ul style="list-style-type: none"> • Published version of GET Ahead in English Version • Operational inter-country networks established
Immediate Objective 3: To launch and market the GOWE-Kenya project to reach out to women and improve their access to financial support mechanisms, BDS provision and representative associations	<ul style="list-style-type: none"> • <u>Output 3.1:</u> Project Marketing: Gender sensitive marketing and communication strategies for the GOWE Project in Kenya developed in association with PEP Africa & AfDB. 	<ul style="list-style-type: none"> • Evidence of promotions; • Outreach of GOWE/WEs • Recall promotional campaign
Immediate Objective 4: To connect women to greater and more lucrative markets and market linkages, among private sector firms, and in international markets	<ul style="list-style-type: none"> • <u>Output 4.1:</u> Gender sensitive value chain analysis (VCA) adapted and developed for GOWE-Kenya project 	<ul style="list-style-type: none"> • Value Chain Analysis materials adapted & produced • Sectors selected • Number of trained and assisted • Improved market linkages
	<ul style="list-style-type: none"> • <u>Output 4.2:</u> Market access for 40 WEs improved through Improve Your Exhibition Skills (IYES) 	<ul style="list-style-type: none"> • Forty (40) women trained • One Hundred (100) women participate in trade shows;
	<ul style="list-style-type: none"> • <u>Output 4.3:</u> Linkages facilitated between GOWE/Wes and larger firms through FKE offices 	<ul style="list-style-type: none"> • Evidence of formal linkages between GOWEs and larger firms • Facilitation of FKE • WEs products promoted through private sector networks
Immediate Objective 5: In close collaboration with IFC PEP Africa, to assess the impact of the project's support interventions on the two main target groups, i.e. member-based associations, women and service providers.	<ul style="list-style-type: none"> • <u>Output 5.1:</u> Baseline data identified for assessing impact of project, baselines studies conducted, and longitudinal impact assessments conducted, including; 	<ul style="list-style-type: none"> • Baseline data created and produced • Follow-up baseline data gathered
	<ul style="list-style-type: none"> • Gender-sensitive monitoring, evaluation & impact instruments developed for systematic follow-up. 	<ul style="list-style-type: none"> • Impact assessment report

Good practices in project design and its associated monitoring and evaluation framework require that project objectives, outputs, activities, anticipated outcomes and impact; as well as objectively verifiable indicators are clearly defined. Although the GOWE project document had generally fairly well defined objectives, outputs, activities and indicators, the following weaknesses with the logical framework were identified:

- All except two of the ILO's achievements indicators under immediate objective 4, output 4.2 above lacked specific quantitative/qualitative targets against which objective assessment of project achievements (i.e. actual versus target) would be undertaken-see table 2 above.
- The log frame lacked anticipated project outcomes and impacts;
- Some of the objectives in the log frame were poorly stated e.g. immediate objectives 2, 3 and 5 all of which tended to mix "means" and desired "end results/outcome" of the project. For example:
 - **Immediate objective 2** states as follows: "*to ensure high quality and timely inputs from ILO for quality control and assurance purposes*" which is a means to an end; and "*to facilitate networking for effective knowledge and information sharing*" which is the desired end-result. The more appropriate statement would have been "*to facilitate networking for effective knowledge and information sharing through quality and timely inputs from ILO*".
 - **Immediate objective 3** states as follows: "*to launch and market the GOWE-Kenya project to reach out to women and improve their access to financial support mechanisms, BDS provision and representative associations*". The more appropriate statement would have been "*to improve women's access to financial support mechanism, BDS provision and representative associations through launching and marketing GOWE Kenya Product*".
 - **Immediate objective** states as follows: "*In close collaboration with IFC PEP Africa, to assess the impact of the project's support interventions on the two main target groups, i.e. member-based associations, women and service providers*. This not a project development objective

but rather an output towards achieving project goals.

Although the majority of the indicators broadly complied with the SMART principles in the context of instruments for project monitoring and evaluation (where SMART stands for *Specific, Measurable, Attributable, Realistic and Targeted*) some of them were rather vague and not definitive in terms of specific targets for example:

- Under output 1.5: *“increase in membership” and “outreach and support services provided - which did not indicate numbers.*
- Under output 1.6: *“More WE/GOWEs served” and “improvements effected in promotional approach and service offerings”-which lacks specificity and measurability.*

While most of the indicators were realistic, targeted and gender-sensitive, attributability was to some extent questionable given the influence of socio-political and economic factors which were beyond the control of project management and also given that there was no built-in mechanism for comparing GOWE beneficiaries with “non-GOWE beneficiaries” or what one might call the “control group”.

The means for verification of project indicators, namely monthly reports; quarterly and biennial supervision missions and progress reports were appropriate in terms of informing project beneficiaries, though the collapse of the PAC as the main forum for sharing the information with participants reduced anticipated effectiveness.

Some of the project components and activities; expected outputs, outcomes and impacts (as contained in the latest IFC’s Advisory Services PDS Approval document) were fairly well defined. The component indicators also complied very well with the SMART principles of the standard monitoring and evaluation framework. In particular, they were specific, measurable (with quantifiable targets), realistic and targeted.

3.3 OVERALL PROJECT ACHIEVEMENTS AND EFFECTIVENESS BY KEY OBJECTIVES

The two main interventions of the project were capacity building of GOWEs and BDSPs; and enhancement of access to financial services. While implementation of relevant activities was meant to be a joint effort, the ILO was largely responsible for capacity building through training while the IFC was responsible for promoting access to financial services in addition to its broader role of overall project management. The following sections assess the performance by broad program objectives for both ILO and IFC initiatives.

3.3.1 Capacity Building of Project Target Beneficiaries

The aim of this immediate objective (immediate objective 1 in the ILO project log frame) was “to build technical capacity of BDSPs, WEAs, financial institutions and other support agencies for greater outreach of GOWEs and provide an improved quality and range of gender-sensitive services to the target beneficiaries”. Overall, the capacity building component of the program had excellent achievements as demonstrated below:

- A total of 711 entrepreneurs were trained in various courses and thereby surpassing the target of 180 by more than 295%. Of the 711 beneficiaries, 608 or about 86% were women entrepreneurs. Although it is recognized that some of the beneficiaries underwent more than one course and therefore the possibility of double counting, at least 255 beneficiaries (comprising 206 women) underwent training in SIYB, EYB, IYB, WED-CB, WEA CB and GET Ahead.
- Over 456 beneficiaries (mainly women) took the BP course.
- A total of 46 BDSPs (compared to the target of 40) were trained on EYB, SIYB and mentoring courses who in turn trained 239 women entrepreneurs on the various courses-surpassing the target by about 15%.

- A total of 70 representatives from WEAs were trained against a target of 100-which represents 70% achievement in relation to target set by the project.
- Targeted financial institutions, BDSPs, WEAs and relevant line ministries departments and government agencies received training on effective design and service provision for women entrepreneurs.
- One FAMOS check with one of the banks was undertaken which led to improvement in the provision of services to women entrepreneurs. However this was a third (1/3) of the targeted three FAMOs check with GOWE Banks largely because the other banks were unwilling to undertake this service check.

The following table summarizes achievements in relation to the capacity building component of the project to date.

Table3: Project Training Achievements				
Type of Course	Number of Courses	Male	Female	Total
EYB Training of Trainer (BDSPs)	1	10	17	27
EYB TOE (GOWES)	6	7	189	196
Business Plan Training (GOWEs)	10	2	223	225
WEAs	4	0	70	70
WED-CB for FIs	2	N/A	N/A	35
WED-CB TOT	2	16	44	60
IYB TOT	1	N/A	N/A	16
IYB - TOE	2	5	38	43
Get Ahead TOT	1	8	11	19
Mentoring	1	4	16	20
TOTAL	30	52	608	711
<i>Source: IFC/ILO</i>				

Capacity building outputs of the project are being used fairly well by project partners who have also achieved significant progress towards transforming them into expected outcomes; improved business management, enterprise development and business growth. Most women enterprise beneficiaries indicated that they are now making regular references to the training materials and notes as well as consultations with colleagues they attended training with. Based on the consultant's assessment, views of virtually all the respondents met during the evaluation mission and information gathered from secondary sources (mainly GOWE project progress reports), the capacity building component had the greatest achievements in terms of outputs and impact towards women enterprise development. Respondents who received capacity building/training services indicated that both the contents of the training modules for both TOTs and TOEs and the performance of the trainers were excellent. The respondents also indicated that GOWE training had opened their minds and are now able to do their businesses more effectively than before resulting in cost reductions and improved profits. The following quotes from a few selected respondents help in substantiating this point.

Training of trainers has however not been significantly translated into expected outcomes primarily because of the slow pace in rolling out of training by BDSPs independently-a situation some believe is linked to the negative effects associated with subsidization of training under the project.

In relation to immediate objective 1 on capacity building of target beneficiaries, the following were the main unintended project results:

- *On the positive side* these included the following:
 - Increased business networking among WEs who attended training courses, and also notable drive on the part of these beneficiaries towards business networking with the wider business community-with some respondents indicating that they have already made businesses as a result.
 - Increased interest in establishing business networks which in fact prompted the establishment of Enterprise Development Network (EDN) in 2009 which has so far registered 15 registered members the majority of whom were beneficiaries of the project's capacity building initiative. EDN has already undertaken SIYB training for ILO in Somalia and have already quoted for several other requests for proposal. The organisation has also been pre-qualified by the Youth Enterprise Fund, Women Enterprise Fund and Ministry of Gender.
 - Inculcation of entrepreneurship culture among beneficiaries of the GOWE project.
- *On the negative side* unintended project results included the following:
 - Some key project staff and BSDPs felt that subsidized training under the project (KShs 8,000-10,000 per person per week) as opposed to what most consider as market rate (i.e. about KShs 50,000 per person per week) had somewhat distorted the market and some of the trainers are having to contend with the problem of convincing some of the potential GOWE trainees to pay higher amounts than that which was paid under the project.
 - The setting of the minimum threshold for GOWE loans at KShs 1.5 million discouraged some potential borrowers who needed less than this amount. This was despite the fact that the "Baseline Survey" had clearly indicated that the critical mass of potential GOWE borrowers needed loans of less than this amount. Although it is appreciated that the project was aiming at Small and Medium Enterprises (SMEs) and not Micro and Small Enterprises (MSEs) this seemingly high minimum threshold was partly attributed to the low loan disbursement.
 - Poor marketing of the project resulted in two negative results, namely the project being more associated with ILO/IFC and much less with AfDB, and project being misconceived as a grant at the early stages of the project. In this regard, three respondents had indicated that they attended the course hoping at the end of it they would get GOWE grant funds. It is however important to point out that the problem of misconception has largely been over come through efforts by the project implementation team.
 - Limitations of eligible banks to only three (3) which impacted negatively on GOWE accessibility to financial resources. This is because some potential borrowers could not easily access the banks due to limitations in branch network, while others had no bank accounts in those banks and felt reluctant to close and or open additional banks accounts. It is however acknowledged that the choice of the banks was dictated by their willingness to join the project (which was beyond the control of the project) as well as the requirement to go through the due diligence process (which as mentioned could have been shorted by using information from the Central Bank of Kenya).

3.3.2 Quality Control and Facilitation of Networking

The stated aim of project objective (immediate objective 2 in the ILO project log frame) was "*to ensure high quality and timely inputs from ILO for quality control and assurance purposes, and to facilitate networking for effective knowledge and information sharing*". The main indicators included the following:

- Number of ILOs missions fielded;
- Mission reports, recommendations and implementation effected;
- Qualitative improvements effected in GOWE project;
- Published version of GET Ahead in English Version;
- Operational inter-country networks established;

In this respect, the following were the main achievements:

- Seven (7) technical assistance and back stopping Missions carried out by ILO Irish Aid Partnership Program (Regional Technical Advisor). Primarily due to what the evaluation mission considers to be poor documentation and management of data and information, it was not able to get hold of any of the mission reports although it is understood from the project staff that the ILO missions made some relevant recommendations. Research was conducted on factors affecting women entrepreneurs in micro and small enterprises in Kenya with a total of 413 entrepreneurs being interviewed; and validation workshop undertaken with attendance of more than 100 participants;
- Five (5) video tenders for GOWE role models received, reviewed, tender awarded and work started;
- The English version of GET Ahead was published.

3.3.3 Project Launching, Marketing Access to Finance

The stated aim of this immediate objective of the project (immediate objective 3 in the ILO project log frame) was “to launch and market the GOWE-Kenya project to reach out to women and improve their access to financial support mechanisms, BDS provision and representative associations”. The main indicators as stated in the ILO-Bilateral Program of Technical Cooperation Document of June 2006 were: (a) Evidence of promotions; (b) Outreach of GOWE/WEs and (c) recall promotional campaign.

The project had extremely limited achievements in relation to this objective which was also poorly aligned with the SMART principles in the context of monitoring and evaluation requirements. The only output towards this end was the undertaking of research on GOWE program awareness which was carried out in May 2007 and marketing and promotion strategies presented to the Program Advisory Committee. There was no evidence of focused promotional activities and effective outreach to GOWEs.

3.3.4 Market Access for Women Entrepreneurs

The stated aim of this immediate project objective (immediate objective 4 in the ILO project log frame) was “to connect women to greater and more lucrative markets and market linkages, among private sector firms, and in international markets”. While very well stated as a project objective and performance indicator, there was virtually no achievement in this area. The only, albeit very preliminary output that ILO attained in this regard was in organizing 2 Pilot one-day value chain analysis participatory workshops in which training of participants from Hand Loom Weavers Association and the Association of Women in Agriculture Network, (AWAN) was undertaken. Although training venues provided good fora for business network and market linkage which resulted in actual business transactions being undertaken by a few of the WEs, it was not as a result of ILO's direct intervention.

3.3.5 Assessment of Project Impact

The stated aim of this immediate project objective (immediate objective 5 in the ILO project log frame) was “in collaboration with IFC PEP Africa, to assess the impact of the project's support interventions on the two main target groups, i.e. member-based associations, women and service providers”. This is certainly not a project development objective but rather an activity. The only but remotely related output towards this end as stated in the *“Progress Report of at 30th April 2009”* entailed undertaking of baseline data survey for WEAs which

identified key impact indicators towards capturing business development, economic empowerment and gender equality. The consultant did not have the opportunity to see the report and was therefore not able to comment on its contents.

3.3.6 Enhancing Access to Finance by GOWEs

The aim of this objective, which was largely in the domain of IFC project outputs, was to enhance access to financial resources from local banks through the provision of an AfDB-supported partial loan guarantee facility. This was also to be promoted through sensitization of selected banks through FAMOs training. As shown in the table below, the objective attained rather moderate results. As indicated, the total amount of loan so far approved and disbursed amounts to only USD 2,248,862 or about 56.2% of IFCs target amount of USD 4,000,000. A total of 40 loans have so far been made with KREP Bank accounting for 26 borrowers or approximately 65% of total number of project beneficiaries reached through this intervention. CFC-Stanbic performed dismally with only 2 beneficiaries and accounting for only 9% of the total disbursed loan. Based on the average loan amount, it is clear that KREP Bank was more oriented to SMEs than CFC-Stanbic and to some extent CBA.

Table 4: Loan Disbursements							
Lending Bank	Number of Loans	% of Total	Loan Composition (USD)				% of Total
			Self-Guaranteed Loan	Project Guaranteed Loan (50%)	Average Loan Amount	Total	
KREP	26	65%	592,347	592,347	45,565	1,184,694	53%
CBA	12	30%	426,632	426,632	71,105	853,263	38%
CFC	2	5%	105,453	105,453	105,453	210,905	9%
Total	40	100%	1,124,432	1,124,432	56,222	2,248,862	100

Source: Compiled by consultant based on data provided by the IFC

The low performance with respect to disbursement of loans has been attributed to a number of factors:

- Poor cooperation on the part of financial institutions particularly by way of their reluctance to undergo FAMOS awareness training-which they have kept on postponing despite continuous persuasion by project implementing agencies. It would appear that the banks did not fully understand the aim of FAMOS.
- Slow and bureaucratic processes in approving loans primarily due to lack empathy with SMEs and aggressiveness on the part of partner banks-with the exception of KREP to some extent. Some of the respondents indicated that it takes 4-6 months from the date of loan application (including presentation of BP) to actual disbursement. This has resulted to a lot frustration on the part of the GOWE borrowers.
- Inaccessibility to financial services (credit) occasioned by limitations to only three (3) banks. This problem has been associated to the following: (a) Limitations in terms of partner banks network country-wide perhaps with the exception of KREP⁷; and (b) The fact that some GOWEs did not have bank accounts with the selected banks which was a requirement by the banks for GOWEs to get loans. Many of the potential GOWE borrowers felt reluctant to open new bank accounts with these banks which would have necessitated either closing accounts elsewhere and opening accounts with these selected banks or having more bank accounts where closure of accounts in other banks was not deemed appropriate. Some felt that opening an additional bank account would result in spreading their financial resources too thinly. Others were more concerned about leaving their previous client banks for the sake of GOWE loans. However, based on the experience during project

⁷ Note that both CBA and CFC had only two outlets each (Nairobi and Mombasa).

implementation, the AfDB Board has already approved inclusion of additional willing financial institutions into the program and due diligence has already been undertaken for possible other partner banks.

- The high level of minimum threshold for GOWE loans which was set at KShs 1.5 million per any given borrower. About 70% of GOWE respondents met during the evaluation mission felt that this was too high a level as their normal credit requirements falls below this minimum project limit. In this regard, it is worth noting that the “*Country Baseline Survey*” for Kenya had indicated that about 56% of GOWEs needed loans ranging from KShs 500,000-1,500,000. It is not clear why the minimum loan amount under the project was set at KShs 1.5 million when such a significant number of target beneficiaries had already indicated the desirable range. While it is recognized that the project was focusing on small and medium women enterprises this evaluation mission would like to bring out the fact that some respondents indicated that the lower limit should not have been set anyway. Nevertheless, it is important to point out that the AfDB Board has already approved the removal of the minimum threshold of GOWE loan. In this respect, the revised Master Guarantee Agreement (MGA) has been released for ratification by the partner banks.
- High cost of credit primarily because of the high interest rates which discouraged potential borrowers⁸. In this regard, it is worth noting that some banks were charging as high as 18-21% despite 50% of the loans having been guaranteed by AfDB whose benefit to banks by way of reduced risks was not passed on as benefits to project beneficiaries.
- Lack of interest and adequate commitment on the part of banks to undergo the FAMOs sensitization initiative despite concerted effort by the project implementation team. This was a major output that attained limited achievements in that only one FAMOS check with KREP Bank was undertaken which led to improvement in the provision of services to women entrepreneur, by this particular bank.

All in all, the greatest achievements of the project were in Nairobi which had the highest concentration of potential project beneficiaries in terms of WEs, institutions and banks. Although detailed data was not available, WEs in trade and services were the greatest beneficiaries largely because a majority of them were already in these areas of business.

3.4 EFFICIENCY OF RESOURCE USE

3.4.1 Project Cost-Effectiveness

Assessment of efficiency of a project involves analysis of the extent to which project resources including funds, expertise and time have been economically used. In other words, effectiveness of transforming inputs into results. Ideally, this type of investigation would best be carried out by comparing the ratio of resources used for undertaking project implementation with resources used directly towards development support of target beneficiaries. Where possible, the ratios should also be compared with data from other similar projects. It was not possible to carry out this type of exercise during the evaluation mission primarily because of lack of access to disaggregated project cost data by component and implementing agency and the lack of data and information on similar and efficiently implemented projects. Nevertheless, the evaluation mission is of the view that the project used lesser resources to attain the results it has achieved for the following reasons:

- Cost-free access to and utilization of ILO training materials which would have cost the project much more money in terms of development-although it should be noted that this was in any case meant to be part of ILO contributions to the project right from the start. In this regard, it is also important to note that the project contributed some money towards customizing the EYB and WEA Manuals.

⁸ This was also linked to the global financial crisis.

- Use of project implementation staff at no extra cost to the project to complement private-sector based trainers in carrying out training;
- Cost-savings through contribution by project beneficiaries (KShs 8,000-10,000 per person per training session) towards the cost of training covering training venues, meals and training-albeit only in part;
- Use of Local printing and publication of training materials instead of original materials from ILO Geneva which was deliberately done by project implementers to cut down costs;
- Use of low cost training venues in some instances e.g. the Cooperative College and Silver Springs Hotel in Nairobi;

The outputs and results achieved, particularly in the area of capacity building- (through training) largely justify the overall project cost which to date is estimated at USD 1.7 million.

3.4.2 Project Management, Monitoring and Governance

AfDB's choice of IFC which has strong expertise in SME financing and also ILO which has strong expertise in SME capacity building and training was ideal. The management, governance and monitoring of the project under this institutional framework was generally good and adequate. In this regard, establishment of the PAC provided an ideal institutional framework though it became difficult to be sustained due to lack of commitment on the part of the national partners. Monitoring of the project was regularly undertaken with progress reports and recommendations being published in the quarterly and biennial reports. With respect to project management, governance and monitoring the following were observed:

While the project financier (AfDB) performed reasonably well in tracking project performance, it did not release funds in some instances. There was also a general feeling among implementing staff as well the local partner banks that the due diligence process was taking rather too long to the extent that some banks felt uncomfortable. The overall view is that due diligence process could have been shortened by relying more heavily on relevant information from the Central Bank Kenya even though the evaluation mission fully appreciates the fact that this was always the initial point that the project relied on.

- The IFC fairly effective in managing and coordinating project activities and was quite instrumental to project progress.
- The ILO also performed fairly well in technical, programmatic and administrative backstopping of the project. According to some project implementers, the ILO regional office (Addis Ababa) played its role effectively. However, it was noted that ILO's performance in terms of reporting by way of biennial progress reports and also by way of financial accounting were often delayed sometimes by several months. The evaluation mission is of the view that this was partly caused by the high staff turnover at the ILO local office. In this regard, it is worth noting that there has been a total of 4 ILO National Program Coordinators since inception of the project. Nevertheless, it is appreciated that there was continuous consultations especially between the IFC and ILO which kept project implementation generally on track.

3.5 EFFECTIVENESS OF PROJECT SUPPORT & MANAGEMENT ARRANGEMENTS

This section attempts to evaluate whether management capacities and implementation arrangements were in place and the extent of effectiveness.

3.5.1 Effectiveness of Support by National Partners

The project received notable support from national partners including relevant Government institutions, parastatals, BSDPs, WEs and even local partner banks-in particular the KREP Bank. In this regard, the evaluation mission noted the following:

- That Government was represented at the launching of the project in November 2006 by the Ministry of Finance and Ministry of Trade.
- That the various partners also appointed representatives in the Advisory Committee comprising - albeit commitment by representatives to the project somehow dissipated along the way. This in itself meant that implementation was effectively left to ILO and IFC both of which have made significant contribution to the achievements so far attained.
- That the IFC and ILO directly and indirectly provided requisite technical support with enthusiasm and commitment;

3.5.2 Effectiveness of Communication between Project Partners

Communication between various project partners (AfDB, IFC, ILO and government institutions e.g. the ministries of Youth, Labour and Gender) was fairly good. Such communication was largely through email communications and periodical reports initially under the auspices of the PAC. While PAC had provided a good platform for communication, its demise left a gap-as evidenced by lack of records on minutes.

The IFC as the primary contracted agency played a key role with respect to communication and coordination between key project partners. Internal communication within each of the implementing agencies e.g. between the project team, field office, regional office as well as the responsible technical department at headquarters was also effective. In particular, the IFC made every effort to keep project actors in the loop. On its part, ILO maintained very good communication, although it is noted that this was somewhat affected by the high turnover of project staff.

3.5.3 Gender Main-Streaming

Gender expertise was sought during project design, implementation and monitoring and evaluation. High level staff and consultants from local, regional and international sources (Geneva) were sought. There was also gender mainstreaming in the training materials especially the EYB. Nevertheless, the greatest failure was in adapting and implementing FAMOs tools primarily due to lack of interest on the part of banks.

3.5.4 Inter-Agency Coordination and Collaboration for Project Effectiveness

There was significant strategic use of coordination and collaboration with other projects towards increasing effectiveness and impact of the project. The most notable in this respect included:

- The ILO-WEDGE project and use of its training manuals;
- The Harare-Based ILO project ILO had already spun off the project to independent business development service providers under licence to use ILO materials and approach which significantly supported the GOWE-Kenya project by providing TOTs for SIYB and EYB;

- ILO-Geneva which also supported the project by way of training materials and technical support in terms of gender mainstreaming expertise.

3.5.5 Monitoring and Evaluation System and Effectiveness

The “country baseline survey” conducted in 2007 provided base data and information for the project’s monitoring and evaluation (M&E) framework. It also provided the basis for identify project outputs and setting of targets. Relevant data and information was systematically collected mainly for the following:

- The number of people trained by type of module, target areas and gender-primarily by the ILO team;
- The number of loans disbursed by borrower (name of person and name business); amount (in KShs and USD); lending bank and branch; and gender-primarily by the IFC team-using program portfolio monitoring and tracking system which had been developed at the early stages of the project.

3.6 IMPACT ORIENTATION AND PROJECT SUSTAINABILITY

The following sections focus on key observed changes and their linkage to project interventions, effectiveness of capacity building of implementing agencies and national partners, institutionalization of project interventions and sustainability of project results. In this regard, the evaluation mission observed the following:

- The attitude of GOWE project beneficiaries with respect to business operation practices has definitely changed as a result of project interventions through training and mentoring. Many of the respondents met during the evaluation mission indicated that they are now practicing professional business ethics and with greater confidence including formal business planning, accounting and record keeping, networking and marketing.
- Business and financial management skills of beneficiary WEs has evidently changed though the evaluation mission felt that there is need for follow-up so as to deepen effectiveness of capacity building and outreach. In this respect some beneficiaries indicated that they would attend more training courses in future in the event they would be forthcoming.
- The project also “opened the minds of BDSPs” in terms of realizing that there are unexploited business opportunities in SME capacity building. In this regard, the evaluation mission observed for example the establishment of two private sector organizations:
 - Enterprise Development Network (EDN) as a national member-based organization for professional enterprise development business development service providers;
 - Kisumu Growth Oriented Women Entrepreneurs (KIGOME) which is also a member-based organization in Kisumu-currently with 13 registered members. The organization aims at carrying out capacity building of WEs on a commercial basis, promoting businesses networking and enhancing women’s voice in matters relating to their participation and equitable access to resources.
- Although future dynamics in the business and financial sectors of the country and the global market in general will have a big role to play in the continuity of project activities and sustainability, the evaluation mission is of the view that national partners (both individuals and institutions) have acquired the requisite capacity to continue with the project activities-though follow-up targeted support in line with recommendations made in this report may be required. In this respect, the following

activities which have or are still being conducted by some or project beneficiaries using GOWE materials were observed:

- Training of “out-of-school” girls in enterprise and life skills by Technoserve under their NIKE-Foundation funded “Young Women in Enterprise’ (YWE) with an effective outreach of 850 girls mainly from the Kawangware slums and plans to reach 3,000 girls by 2012;
 - Training by the Ministry of Youth Affairs (MOYA) of youth entrepreneurs;;
 - Training by private sector BDSPs project beneficiaries- though this has not picked up in earnest partly due to the negative effect created by subsidization of training under GOWE (false perception regarding market cost of training among potential GOWEs).
 - Training of women entrepreneurs by the Kenya Industrial Estate (4 times in total);
- The project has significantly enhanced the capacity of people and institutions by way of training. As indicated earlier, a total of 711 beneficiaries have so far been trained mainly under the EYB as well as business planning. Of this total, 608 or close to 86% were women.
 - The accruing benefits, especially by way of TOEs are likely to be durable. Benefits by way of businesses for BDSPs are also likely to be durable but this will largely depend on the innovativeness of these actors in undertaking training in ways that are both affordable to the majority of GOWEs and also financially viable on their part as business entrepreneurs.
 - The capacity of financial institutions in terms of enhanced sensitivity towards financial access for women enterprises has not been strengthened at all owing to the low interest on the part of banks resulting in the anticipated FAMOS awareness initiative not being implemented.

The project management has made notable efforts towards integrating positive intended and unintended results of the program into the project.

- This is for example encouragement of business networking among WEs and establishment of network organizations. This underlies the establishment of for example EDN which spreading its wings to the region and also KIGOME.

For some of the negative unintended results, the project management is in the process of adjusting the strategy in the following ways.

Revision of the minimum threshold to meet the needs of the critical mass of the GOWEs which according to the “Baseline Survey” of 2003 was within the range of KShs 500,000-KShs 1,500,000 for the majority the target beneficiaries (about 56%). This issue is already being addressed the lower limit is in the process of being eliminated in totality and the partner banks have already been issued with the revised MGA for their internal approval.

- Continued effort to recruit more banks through eliciting interest, conducting the due diligence check and FAMOS awareness creation. Although it is recognized that other potential banks have been approached (including Equity Bank, Family Bank, KCB, Ecobank and National Bank of Kenya) progress in this regard has been slow primarily due to the low interest and commitment on the part of the banks-something that has been beyond the control of the project management.

Exit strategy and sustainability of the project were strongly hinged on capacity building of partner BDSP individual and organizations through training them in the areas of service delivery, governance, leadership and enhancement of awareness of WEs. Individual and institutional beneficiaries were expected to continue with the capacity building (training) intervention and linking trainees with financial institutions for business loans. This strategy was sound but has been adversely affected by three factors:

- Subsidization of training charges which somewhat distorted the market for BDS delivery;
- The slow process of financial institutions towards full appreciation and buy-in of the GOWE project concept;
- The emergence of relatively low-cost government-funded women enterprise funding facilities.

Nevertheless, the view of the evaluation mission is that the project has made significant strides towards complete and self-sustaining roll out of project interventions. On the basis of this, a second phase is deemed necessary so as to allow for further deepening and consolidation of the achievements to date.

4.0: MAIN CONCLUSION

Project design was based on sound information based on women-enterprise focused background studies. These included the regional study by AfDB/ILO as well as the “country baseline study for Kenya of 2007”. These background initiatives formed a good basis for GOWE project design enabling the objectives of the project to be reasonably well aligned with the priority needs of the target beneficiaries and also key relevant international initiatives e.g. UNDAF and the ILO-DWCP and national objectives e.g. Kenya Vision 2030.

The design process entailed significant consultations with relevant stakeholders. The choice of project partners at the implementation levels (IFC and ILO) was appropriate given the strength in their respective and complementary roles, namely; financial services expertise-for IFC and women-enterprise capacity building expertise-for ILO. The choice of non-financial local institutions was generally appropriate from the point of view of their involvement in women-based SMEs. However, the main problems at this stage of the project cycle included the following:

- The failure to set the minimum loan threshold at the level indicated by the critical mass of respondents under the country baseline study (KShs 500,000). Instead, the project set the minimum level at KShs 1,500,000 thereby excluding a significant number of potential borrowers.
- The choice of local banks was inappropriate with the exception of KREP given their limited outreach by way network and lack orientation towards SME financing.

According to some of the respondents met during the evaluation mission, the project does not seem to have been aggressively marketed resulting in the initiative being confused for a grant fund for women enterprises- at least initially. As a result the project was more associated with ILO/IFC than it was associated with AfDB.

With the exception of some of the local banks, the project received adequate support. There was good support particularly from the implementing agencies, Government institutions and target beneficiaries. The implementation arrangements and specification of partner roles as clearly specified.

The use of ILO training materials saved the project a significant amount of financial cost though it was not possible to quantify it during the evaluation mission. The project management team adopted innovative ways of minimizing costs through local production of ILO training materials, eliciting part contribution from project beneficiaries, use of implementing staff to supplement private sector BDSPs and use of cheaper training venues in some instances.

The project has attained substantial achievements in the area of women-enterprise capacity building. It however attained rather limited achievements in the area of improved financial access primarily because of lack of commitment by local banks, and project design issues related to minimum loan threshold. External factors (including political instability occasioned by the post election violence; presence of parallel projects with more attractive financial services intervention; and the global financial crisis) also contributed to the poor performance of this intervention.

The biggest threat to future sustainability of the project relates to two main issues:

- Inability and/or lack of innovativeness on the part of BDSPs (trainers) to effectively roll out training;
- Slow uptake of the guarantee facility largely due to lack of commitment of some of the local banks to the ideals of the project;

5.0: KEY LESSONS LEARNED

The following provides a summary of the main lessons learned.

- That there is significant demand for capacity building by women enterprises in Kenya;
- The need to market project more aggressively and effectively through a variety of media for greater outreach and dissemination of accurate information.
- That the critical mass of potential borrowers in Kenya is in the range of KShs 500,000-1,500,000 as rightly established by the “country baseline study” regardless of the financiers’ definition of SMEs.
- That although the contents of the training modules and delivery of training were both rated highly; there is need to consider some form of simplification of the training modules to meet the requirements of some of the potential borrowers. In this respect, some of the project beneficiary respondents felt that the training (over a period of 5 days) was rushed while others felt that it was quite okay.
- That there is need to supplement formal training with “experiential training” whereby more visits or mentoring sessions by role models are incorporated in the training program.
- The need to set training charges at market rates to facilitate effective participation of BDSPs (trainers) and sustainability of the intervention after project exit;
- That although training and financing of GOWEs were not mutually inclusive (that is one could benefit from one and not necessarily the other) it would have been more appropriate to train beneficiaries first before recommending them to financial institutions for financing where such a situation arose. This would help minimize the risks of financial losses-which can back fire and dent the image of the financier and implementing agencies. The case for one woman entrepreneur in Mombasa (who said that she felt that she would have utilized her loan more effectively if she had been trained in the first place) attests to this point.
- The need for the project to develop stronger and more effective follow-up of beneficiaries for enhancement of information flow and management of the project.
- The need to strengthen project information management for effective project management, monitoring and evaluation (as mentioned earlier in the report, documentation and information management was rather poor making the evaluation initiatives rather difficult).
- The need, if possible, to simplify the due diligence procedures and aggressively market the project among other local banks especially those that have stronger orientation to SME-financing and have nation-wide branch network.

6.0: MAIN RECOMMENDATIONS

The GOWE-Kenya project had good and worthwhile intentions with the real possibility for long term positive impact on GOWEs. It has already made significant achievements especially in the area of capacity building, though the impact has somewhat been negated by the low performance of the financing sub-component. It therefore recommended that the project be continued to deepen impact and outreach. However, it is recommended that the following main actions be undertaken

- *Market the project more aggressively* especially among key partners including local commercial banks focusing on those that are oriented towards SME financing and have adequate branch network country-wide to facilitate access by women entrepreneurs.
- *Consider (if possible) simplification of the AfDB due diligence procedures* by utilizing (as much as possible) information from the Central Bank of Kenya to minimize resentment on the part of local financial institutions and elicit greater interest and commitment;
- *Fast-track the elimination or removal of the minimum threshold for loans* under the project;
- *Cluster trainees into two groups*-those with secondary education and below and those with education above this level- and simplify the training modules for the former to make training content and delivery more sensitive to the needs of various target beneficiaries.
- *Incorporate more “experiential training” and role model mentorship* into the training curriculum-which would have profound effect on entrepreneurial culture for the target group;
- *Step up the business networking initiative* among project beneficiaries and between project beneficiaries and the wider business community and also provide technical support and mentoring the EDN;
- *Expedite the BDSPs (trainers) roll out plan* through supporting the development of innovative training approaches to ensure commercial viability on the part of service delivery and affordability on the part of potential consumers of the service;

7.0 APPENDICES

Appendix 1: List of People Met

CATEGORY	NAME OF RESPONDENT	TEL	NAME OF ENTERPRISE	TYPE OF RESPONDENT
GOWE CLIENTS	Nairobi			
	Peace Wamiya	0722712319	JPS Italian Fashions	Financed
	Hellen Wangechi	0712 205 129	Medilink Lab & Surgicals	Financed & Trained
	Eva Njukia	0722 762 585	Data Rash	Financed & Trained
	Elizabeth K. Wambui	0723894636	Wagika Prestige hardware	Financed
	Jane Ngoiri Nganga	0722936812	Goward Funeral Services	Financed
	Mombasa			
	Farida Mukira	0722 870 495	Rembo Hotel	Trained and Financed
	Irene Oduor	0720 233 040	Chaka Workshop	Trained on EYB
	Gladwell Wangechi	0722 346 727	Kibiro Wines & Spirits	Trained
	Florence Karimi	0721 218 622	Nedy Trading	Trained
	Unny Nzioka	0722 811 628	Hedge Mgt Consultants	BDSP-Trained
	Kisumu			
	Elizabeth Owiti	0729 888 808	Red Carpet	BP-Trained
	Elizabeth Omollo	0722 576 474	Lizaom Multi Media	EYB Trained
	Martha Joseph	0720 882 400	Economy Networks	EYB Trained
	Millicent Angolo	0712653430	Kinda Techonline	Trained
	Maina Yona	0721 973 799	MA Junior	Trained/Financed
BDS TRAINEES	Nairobi			
	Rose Mary Kalui	0722 655360	KIE	BDSP-Trained
	Njeri Maina	0722 720 722	Leaders In Action	BDSP-Trained
	Rita Ndonge	0722 706720	Owit	WEA-Trained
	Mwikali	---	Owit	EYB/FAMOS-Trained
	Julia Kibore	0721 646 614	Owit	WEDGE/BP-Trained
	Ben Mbai	0724 669 444	EDN	BDSP-Trained
INSTITUTIONS	Nairobi			
	Joyce Kyalo	0722 704 118	KREP Bank	Partner Bank
	Njoroge Njahia	0722 704 118	KREP Bank	Partner Bank
	Samuel Mwangi Kahenu	---	Min of Youth & Youth	:Partner Institution
	Paul Ndungu		Technoserve	BDSP-Trained
IIMPLEMENTING AGENCY	Mary Njoroge	0724 255 966	IFC	---
	Daniel Leteipa	0722 833 651	IFC-consultant	---
	Jane Maigua	0728 545 108	ILO	--
	Gloria Ndekei	----	ILO-WEDGE	--
	Lilian Macharia	522 090 11 216 7110 2528/2874	AfDB-Tunis	--
	Benson Kimithi	0722 818 061	USAID (Formerly of ILO)	--

Appendix 2: Terms of Reference for Final Evaluation

Project Title: GROWTH ORIENTED WOMEN ENTREPRENEURS (GOWE) PROGRAM

TC Code: KEN0601MIFC

Duration: 2 yrs

Start Date: March 2007

Project Budget: USD 571,893

Responsible administrative unit: ILO Dar es Salaam

Donor: Africa Development Bank (AfDB) via International Finance Corporation

A: INTRODUCTION AND RATIONALE FOR EVALUATION

The International Labour Organization (ILO) intends undertake an independent end of project evaluation of the GOWE project. The purpose of the evaluation is to measure the project effectiveness and outcomes measured against the goals, objectives, expected results and outputs set forth in the project proposal. The evaluation will offer strategic direction and recommendations to inform the future direction, sustainability and effectiveness of the GOWE project.

B: BACKGROUND OF THE PROJECT AND CONTEXT

The overall GOWE-Kenya project strategy involves three (3) major components, including: (a) provision of lines of guarantee to selected financial institutions to facilitate loans to GOWEs; (b) increased access by GOWE target groups to business development services in various forms, to be delivered in a gender-sensitive manner; (c) capacity building in various Business Development Services (BDS) and related approaches, association building, and gender mainstreaming for project beneficiary institutions and agents (associations of women entrepreneurs (WEs), BDS providers and financial institutions). The ILO is providing technical support to the GOWE Program in Kenya for a period of two (2) years, for the period 2007 to 2009 with a no-extension period between February and April 2010.

The project has developed direct and indirect synergies with the ongoing and planned programmes and activities of the three key executing partner organizations: (a) linkages with ILO's WEDGE programme activities in Kenya, other African countries and globally; (b) linkages with IFC's PEP Africa programme and its SME Solutions Centre (SSC) in Kenya; (c) related AfDB initiatives.

The GOWE Program operates within the context of the ILO's Decent Work Agenda, and in some countries is directly connected to the national Decent Work Country Programmes (DWCPs). The DWCPs are the result of tripartite negotiations and are the main instrument of ILO cooperation with its Member States. They aim to make full and productive employment and decent work for all a central objective of relevant national and international policies and of national development strategies.

As a specialized agency of the United Nations (UN), the Millennium Development Goals (MDGs) are central to what the ILO is trying to achieve. GOWE is directly concerned with the third goal - to promote gender equality and empower women -through specific measures to redress the power imbalance between men and women. Poverty reduction, the first and overriding MDG, is also an underlying objective of the ILO's work in women's entrepreneurship. The ILO believes that discrimination against women impedes economic growth and causes poverty. Conversely promoting women entrepreneurs is a way to promote women, redress gender imbalances, and attack poverty.

C: OBJECTIVES OF THE PROGRAM

The following are the main objectives of ILO Technical Components in the GOWE Program;

Immediate Objective 1: To build the technical capacities of BDS providers, Women Entrepreneurs' Associations (WEAs), Financial Institutions (FIs) and other support agencies for them to have greater outreach to GOWEs and provide an improved quality and range of gender aware services to the designated target groups.

Immediate Objective 2: To ensure high quality and timely inputs from ILO for quality control and assurance purposes, and facilitate networking for effective knowledge and information sharing.

Immediate objective 3: Launch and market the GOWE-Kenya project to reach out to women and improve their access to financial support mechanisms, BDS provision and representative associations.

Immediate objective 4: To connect women to greater and more lucrative markets and market linkages, among private sector firms, and in international markets.

Immediate objective 5: In close collaboration with IFC PEP Africa, to assess the impact of the project's support interventions on the two main target groups, i.e. member-based associations, women and service providers.

D: BRIEF SUMMARY OF ACHIEVEMENTS

The project has achieved most of its objectives and in some cases surpassed targets.

In its first objective, the project has run three training workshops in which a total of 60 organizations representing Women Entrepreneur Associations, Business Development Service providers, microfinance and financial institutions, SACCOs, and line ministries promoting women entrepreneurship attended. The results of the training have been implementation of action plans that are well focused, with greater outreach to GOWEs/WEs with suitable services for them.

Need assessments were undertaken to establish the real and specific business management needs of GOWEs and the information fed into the

adaptation of business management tools which ILO has developed. Three manuals have been adapted and gender mainstreamed i.e. Expand Your Business (EYB) manuals, Productivity through People (PtP) and Improve Your Business (IYB) manuals. A number of other manuals from the WEDGE programme in ILO have also been used to training the target groups.

27 business development service providers have been trained and certified in the Expand your business programme, while 19 were trained in start and improve your business tools. The trainers have continued to train women entrepreneurs with over 200 women trained so far.

20 mentors have been trained and certified to provide mentoring services and support to GOWEs in areas of business management and business growth. A pilot programme is on-going in which mentors and GOWE clients have been linked; for the purposes of generating learning on the actual process and impact of the mentoring experience.

Through business clinics held in some main towns in Kenya, GOWEs have been able to access one-on-one business counseling and linkages with BDS providers, Financial Institutions, WEAs and other relevant organizations and government departments, besides inter-firm linkages amongst GOWEs. Through the business clinics, the GOWE project and loans have been marketed to the target groups and stakeholders for increased awareness of the services and products of GOWE.

E: PROJECT MANAGEMENT ARRANGEMENT

The GOWE Kenya project is funded by the African Development Bank (AfDB) through its annual contribution to IFC's PEP Africa Programme. With the agreement and approval of both AfDB and IFC/PEP Africa, the ILO as the third partner in project implementation has been providing general guidance, support and technical backstopping, as well as having responsibility for implementing several technical components of the GOWE Kenya project. In this context, the overall project management is by IFC PEP Africa Programme while the ILO component is coordinated by ILO's National Programme Coordinator. Technical backstopping of the project is by the Chief Technical Adviser in Addis Ababa.

F: PURPOSE AND SCOPE OF THE EVALUATION PURPOSE

The overall purpose of the evaluation is to clarify the extent to which the expected results and outcomes have been achieved as measured against the project goals, objectives, results and outputs as set forth in the project document. The evaluation will provide an opportunity for the Office and its funding partners to assess the appropriateness of design as it relates to the ILO's strategic and national policy framework, and consider the effectiveness, efficiency and sustainability of project outcomes. It will also test underlying assumptions about contribution to a broader development goal.⁹ The evaluation will offer strategic and operational recommendations as well as highlight lessons learnt from the project implementation which will inform future direction of the project and contribute to organizational learning.

G: SCOPE

The evaluation will cover all geographical locations where target groups were drawn from including Nairobi, Nakuru, Mombasa and Nyeri. The proposed final evaluation will examine the progress, achievements, good practices, and lessons learned from the implementation of the ILO GOWE components as detailed in section B above implemented for the entire project period 2007 to 2010. It will provide insights from the views of programme management at IFC GOWE, and the implementers in the ILO GOWE, ILO WEDGE and partner organizations, programme administrators, and programme target groups and beneficiaries. The evaluation shall include all activities and programmatic coordination and management undertaken by the ILO GOWE programme during the period March 2007 to March 2010. The evaluation will take into account all the initiatives and the synergies between ILO GOWE programme and other initiatives and programmes such as ILO WEDGE programme vis-à-vis the priorities and strategic focus of the United Nations Development Assistance Frameworks (UNDAF) of and the Decent Work Country Programme.

H: EVALUATION CRITERIA AND QUESTIONS

The project evaluation will focus on the following key areas:

I. Relevance and strategic fit

- *To what extent did the project support national development priorities as stated in the national development frameworks, UNDAF, PRSP, DCWP, SPF and P & B.*
- *How well did it complement other ILO programmes in the country?*
- *What links were established with other activities of the UN or non-UN international development aid organizations at local level?*

It will also examine the extent to which the project interventions are consistent with the beneficiaries' needs, requirements, the country needs, global priorities and partners and donor policies.

II. Validity of the project design

The evaluation should investigate the extent to which the project design is logical and coherent

- *Was the design process based on a needs analysis of the target areas?*
- *Was the design process adequate?*
- *Was the resulting project design logical and coherent?*
- *Do outputs causally link to the intended outcomes that in turn link to the broader development objective?*
- *What was the baseline condition at the beginning of project?*
- *How was it established? Was a gender analysis carried out?*
- *Who are the partners of the project?*

- *How strategic are partners in terms of mandate influence, capacities and commitment?*
- *On which risks and assumptions does the project logic build and how crucial were they for the success of the project?*
- *How appropriate and useful are the indicators described in the project document in assessing the project's progress? Were the targeted indicator values realistic and can they be tracked? Were the indicators gender-sensitive? Were the means of verification for the indicators appropriate?*

III. The project's progress and effectiveness

- *To what extent did the project achieve its objectives? What outputs have not been implemented and why?*
- *Are the project partners using the outputs? Have the outputs been transformed by project partners into expected outcomes?*
- *Has the project approach produced demonstrated successes?*
- *In which areas (geographic, sectoral, issue) does the project have the greatest achievements? Why this and what have been the supporting factors?*
- *In which areas does the project have the least achievements? What have been the constraining factors and why?*
- *Are there any additional achievements of the project over and above what was foreseen in the project document? Are there any unintended results of the project?*

IV. Efficiency of resource use

A measure of how economically resources/inputs (fund, expertise, time etc) are converted into results

- *To what extent were the management, monitoring, and governance arrangements for the project adequate?*
- *Was the technical, programmatic, financial and administrative backstopping from the relevant ILO offices adequate?*
- *In general, do the results achieved justify the costs? Could the same results be attained with fewer resources? Have project funds and activities been delivered in a timely manner?*

V. Effectiveness of management arrangements

The extent to which management capacities and arrangements were put in place to support the achievement of results.

- *Did the project receive adequate political, technical and administrative support from its national partners? Did the implementing partners provide for effective project implementation?*
- *How effective was the communication between the project team, the field office, the regional office, the responsible technical department at headquarters, CODEV and the donor? How effective was the communication between the project team and the national implementing partners?*
- *Was a monitoring and evaluation system in place and how effective was it? Was relevant information and data systematically collected and collated? Was data disaggregated by sex (and by other relevant characteristics if relevant)?*
- *Was relevant gender expertise sought? Have available gender mainstreaming tools been adapted and utilized?*
- *Has the project made strategic use of coordination and collaboration with other ILO projects and with other donors in the country/region to increase its effectiveness and impact?*

VI. Impact orientation and sustainability of the project

- *Can observed changes (in attitudes, capacities, institutions etc.) be causally linked to the project's interventions?*
- *Are national partners able to continue with the project? How effectively has the project built necessary capacity of people and institutions (of national partners and implementing partners)?*
- *Are the project results, achievements and benefits likely to be durable? Are results anchored in national institutions and can the partners maintain them financially at end of project?*
- *Can any unintended or unexpected positive or negative effects be observed as a consequence of the project's interventions? If so, how has the project strategy been adjusted? Have positive effects been integrated into the project strategy? Has the strategy been adjusted to minimize negative effects?*
- *Should there be a second phase of the project to consolidate achievements?*

J: METHODOLOGY

The consultant will be expected to use document analysis, interviews, direct observation and surveys/questionnaires to collect data necessary to carry out the evaluation.

The evaluation will interview the range of the key stakeholders, partners and clients to the GOWE project as follows:

- The GOWE Clients
- IFCs PEP Africa project
- ILO WEDGE project
- Partner Banks – CBA, CFC and KREP
- Selected Business Development Service Providers-BDSPs
- Selected Women Entrepreneur Associations
- Ministry of Youth Affairs and Sports
- Ministry of Labor and Human Resource Development

- Ministry of Gender and Children

The evaluator may adapt the methodology to suit the types of the information needs required to inform the evaluation.

The evaluation will comply with evaluation norms and standards of the ILO and ethical safeguards will be followed. The UN Evaluation Norms and Standards and OECD/DAC Evaluation Quality Standards should also be referred.

K: MAIN OUTPUTS

The main outputs of the evaluation are: -

- First Draft of evaluation report
- Final draft of evaluation report incorporating comments received
- Evaluation summary (according to ILO standard template)

The Evaluation Report should be about 25 pages long, excluding annexes and conform with the quality checklist for evaluation reports of the ILO Evaluation unit. It should contain the following: -

- Cover page with key project data (project title, project number, donor, project start and completion dates, budget, technical area, managing ILO unit, geographical coverage); and evaluation data (type of evaluation, managing ILO unit, start and completion dates of the evaluation mission, name(s) of evaluator(s), date of submission of evaluation report).
- Executive Summary
- Brief background on the project and its logic
- Purpose and scope of the evaluation
- Methodology
- Findings
- Lessons Learned and good practices
- Recommendations, including whom they are addressed to, on improvements in strategy and possible future directions
- Annexes – Work schedule and persons interviewed, List of project outputs examined, Other documents consulted etc

The final report will be presented in three bound copies and a soft email copy. The report will be presented to ILO's Evaluation Manager.

Targeted audience: The Evaluation report is to address the interests of three groups of audiences:

- IFC PEP project management
- ILO Programme staff in Kenya
- ILO Monitoring and Evaluation Unit, ILO Offices, Dar es salaam
- AfDB

L: MANAGEMENT ARRANGEMENTS, WORK-PLAN AND TIMEFRAME

The evaluation consultant will report to the ILO's evaluation manager or the designate during the period of evaluation. The consultant will be expected to provide a detailed work plan for the evaluation at the start of the evaluation.

QUALIFICATIONS AND EXPERIENCE

The consultant will:

- I. Have a solid understanding of entrepreneurship development strategies with focus on gender mainstreaming.
- II. Be familiar with the AfDB-ILO-IFC GOWE program components, and demonstrate clear understanding of the program objectives and activities.

He/she must have:

- III. A minimum qualification of a Master in Business Management /Development Degree or related graduate qualifications
- IV. A minimum of five (5) years professional experience in midterm, final or post-project evaluations and/or impact assessment of externally funded projects.
- V. Experience in project management and/or evaluation of projects under UN, AfDB, World Bank, or other reputable donors.
- VI. Proven experience with logical framework approaches and other strategic planning approaches, M&E methods and approaches (including quantitative, qualitative and participatory), information analysis and report writing.

Appendix 3: Bibliography

- 1) **AfDB**: Communication to AfDB by CTA GOWE (Back to Office Memo from Abdullahi to Domina :December 2008);
- 2) **GOK**: Economic Recovery Strategy for Wealth and Employment Creation (2003
- 3) **GOK**: Kenya Vision 2030;
- 4) **IFC/ILO**; Draft Grant Agreement Between the International Finance Corporation and the International Labour Organization; Feb 2007);
- 5) **IFC**: GOWE Portfolio Status (Dec ember 31st 2009);
- 6) **ILO**: GOWE Programme-Overview of Activities; Dec 2007-Sep 2008;
- 7) **ILO**: Checklist for Rating Quality of Evaluation Report (March 2010);
- 8) **ILO**: Decent Work Kenya; 2007-2011 –ILO’s Country Programme for the Republic of Kenya’(August 2007);
- 9) **ILO**: GOWE Fact Sheet -Assessment Framework for Growth- Oriented Women Entrepreneurs (March 2007);
- 10) ILO: Month of the Woman Entrepreneur (MOWE)-Fact Sheet;
- 11) **ILO**: Multilateral Programme of Technical Cooperation; Progress Report updated as at 30th June 2009 ;
- 12) **ILO**: Multilateral Programme of Technical Cooperation; Progress Report (30th April 2009)
- 13) **ILO**: Multilateral Programme of Technical Cooperation; Progress Report (March 2007-Mrch 2008);
- 14) **ILO**: Supporting Growth Oriented Women Enterprises in Ethiopia, Kenya and Tanzania (July 2004);
- 15) **ILO**: WEDGE Fact Sheet -Women Entrepreneurs’ Associations WEA) Capacity Building Guide;
- 16) **ILO-Geneva**: Assessing the Enabling Environment for Women in Growth Enterprises: An AfDB/ILO Integrated Framework Assessment (2007);
- 17) **Liaison Development Consultants**: Country Baseline Survey of Growth Oriented Women Enterprises (Final Version; March 2007);
- 18) **United Nations**: United Nations Development Framework for Kenya 2009-2013;