IMPACT ASSESSMENT OF AFFIRMATIVE ACTION FUNDS IN KENYA

Prof. Tabitha Kiriti-Nganga

tkiriti@yahoo.co.uk

and

Donald Mogeni

donaldmogeni@yahoo.com

ACKNOWLEDGEMENTS

We acknowledge the technical and financial support received from the UN WOMEN and the State Department of Gender to undertake a study on the impact assessment of Affirmative Action Funds (Women Enterprise Fund -WEF, Youth Enterprise Development Fund -YEDF and Uwezo Fund.

Special gratitude to Officers from the State Department of Gender: Gender Secretary, Samuel Arachi (CBC, OGH) ,James Sangori, Irungu Kioi, Michael Kariuki, Luciana Mbula,Winfred Kagwiria, Waichumgo, Moffaat Adika, Fredrick Makokha, William Otago, Abdimoor Halake, Wawire, Muigai Njoroge , Florence Chemutai, Mr. Kariuki, Mr. Kamanda Muiruri UWEZO , Isabella Kathambi (YEDF) and Edith Chepkwony (WEF) for organizing the meetings and providing the list of Key Informants and liaising with the officers in the county to have a flawless data collection process.

We also thank Karin FUEG,Faith Queen Katembu, David Mugo and Bhanu Khan from UN Women for having faith in us as consultants availing the funds to conduct the study.

Special thanks to Mr Douglas Wanja, Josephat Machagua, Caudesia Njeri, Gideon Muendo, and Jim Kaketch our research assistants who accompanied us in the field work and helped in quality data collection and entry under difficult circumstances.

We appreciate the contributions from all participants and stakeholders whether as Key Informants, FGD and individual participants who made the exercise successful. To all those who have not been mentioned individually, we sincerely thank you for your time and input in the process.

Prof. Tabitha Kiriti Nganga – Consultant: University of Nairobi

Mr. Donald Mogeni - Consultant

ACRONYMS

AAF	Affirmative Action Funds
AGPO	Access to Government Procurement Opportunities
CEOs	Chief Executive Officers
COGs	Council of Governors
CRB	Credit Reference Bureau
CUFMC	Constituency UWEZO Fund Management Committees
CWEFLC	Constituency Women Enterprise Fund Loan Committees
CWES	Constituency Women Enterprise Scheme
CYES	Constituency Youth Enterprise Scheme
DFID	Department for International Development
DGSDO	District Gender and Social Development offices
DTM	Deposit Taking Micro-finance
ECD	Early Child Development
EPC	Export Promotion Council
ERP	Enterprise Resource Planning
EYES	Easy Youth Enterprise Scheme
FGD	Focus group Discussion
FOSA	Front Office Service Activity
GBV	Gender Based Violence
HQ	Headquarters
FIs	Financial Institutions
KEBS	Kenya Bureau of Standards
KII	Key Informant Interview
LPO	Local Purchase Orders
LSOs	Local Service Orders
MCAs	Members of County Assemblies
MDG	Millennium Development Goals

MPs	Members of Parliament
NGAAF	National Government Affirmative Action Fund
NHIF	National Hospital Insurance Fund
NT	National Treasury
PFM	Public Finance Management Act, 2014
PLWD	Persons living with disabilities
PWDs	Persons With Disabilities
RCC	Regional Credit Coordinators
SACCO	Saving and Credit Cooperatives
SDG	Sustainable Development Goals
SMEs	Small and Medium Enterprises
TNA	Training Needs Assessment
TOTs	Trainers of Trainers
UN	United Nations
WEF	Women Enterprise Fund
YEDF	Youth Enterprise Development Fund

EXECUTIVE SUMMARY

The Government of Kenya (GOK) has made significant and tremendous progress in addressing inequality and gender equality through the empowerment programmes of vulnerable groups such women, youth, and people living with disabilities (PWD). The country has a very progressive constitution which promotes women economic empowerment. Article 27/8 stipulates that State shall take legislative and other measures, including affirmative action programmes and policies designed to redress any disadvantage suffered by individuals or groups because of past discrimination. The State Department of Gender Affairs is mandated to coordinate project and programmes geared towards gender mainstreaming and women economic empowerment. This includes the establishment of various affirmative action funds through legislation, amendment of the Public Finance Management Act and other policy directives. The purpose of these funds is to provide affordable and accessible credit to women, youth, and persons living with disabilities.

This report is an assessment of the effectiveness of Affirmative Action Funds (Women Enterprise Fund -WEF, Youth Enterprise Development Fund -YEDF and Uwezo Fund) which have been core to the national government's core transformational and empowerment agenda. The assessment is critical to the national government as it merges and transitions the three affirmative action funds into the Biashara Kenya Fund. The findings are expected to assist the Biashara Kenya Fund Board in the identification of critical areas of success for up-scaling, areas of weaknesses, resource gaps, and inform future planning for Biashara Kenya Fund.

This assessment used qualitative and quantitative data collection and analysis methods and triangulation across data collection methods and stakeholder perspectives to assess emerging trends and themes and to ensure the reliability and validity of findings. Primary data collection took place in ten (10) counties. The sample mainly included the beneficiaries of the three affirmative action funds in the respective counties.

It was evident that tremendous success had been realized by the AAFs beneficiaries characterized by: increased access to credit, starting new businesses thus contributing to self-employment with proceeds from the business being utilized to complement school fees; improved food security, investment in business expansion; increased access to local and international markets; and access to business development and entrepreneurship skills that have enabled beneficiaries to actively participate in enterprise development.

Despite the impacts noted, the AAFs face significant challenges and risks that would need to be mitigated against and taken into account in the design of a merged AAFs framework. These include: the low loan amounts available for beneficiaries relative to the mandates, limited human resource capacity available for the administration of the AAF funds, politicization of the AAFs funds that often negatively affects repayment, and the low beneficiary repayment rates.

The study makes recommendation on five themes a)training and mentorship; b) sufficiency of loan amounts; c) legal frameworks and d) improving staffing and coordination, and improving sustainability.

It also gives a word of caution on what to look out before the formation of the Biashara Kenya Fund.

TABLE OF CONTENTS

Contents

List of Tables

List of Figures

1.0 BACKGROUND AND INTRODUCTION

The Government of Kenya has made tremendous progress in addressing gender equality and women empowerment. The country has a very progressive constitution which promotes women economic empowerment. Article 27 of the Kenya Constitution provides for equality and freedom from discrimination under the Bill of Rights. It states that every person is equal before the law and has the right to equal protection and equal benefit of the law; that women and men have the right to equal treatment, including the right to equal opportunities in political, economic, cultural and social spheres and that the State shall not discriminate directly or indirectly against any person on any ground, including race, sex, pregnancy, marital status, health status, ethnic or social origin, colour, age, disability, religion, conscience, belief, culture, dress, language or birth. To give full effect to the realization of the rights guaranteed under this Article, the Constitution states that the State shall take legislative and other measures, including affirmative action programs and policies designed to redress any disadvantage suffered by individuals or groups because of past discrimination (Constitution of Kenya, 2010, Article 27). It is because of this that the Kenya government has established affirmative action funds aimed at empowering the marginalized such as Women, youth and PWDS.

Over the last decade the government has established various affirmative action funds through legislations, amendment of the Public Finance management Act and other policy directives. The purpose of these funds is to provide affordable and accessible credit to women, youth and persons living with disabilities.

Among the funds which have been established are:

i. The Public Finance Management Act amended in 2007 established Women Enterprise Fund (WEF) regulations. The objective of the fund is to provide credit to women to establish income generating activities.

ii. The Youth Enterprise Development Fund Board (YEDFB) was established by the Kenya government in June 2006 as one of the Government strategies of addressing youth unemployment. It was transformed into a state corporation in 2007 through the legal order No. 63. Through the Fund, the Government seeks to gainfully engage the youth, majority of who are unemployed to embrace entrepreneurship as a way of job creation. The YEDFB strategic focus is economic empowerment and creation of job opportunities for the youth through enterprise development by facilitating affordable credit access.

iii. The Public Finance Management Act, 2013 established UWEZO fund regulations. The principal objective of the fund is to provide credit to women, youth and persons living with disabilities.

The Cabinet, in its meeting held on the 14th of May 2018 approved the intended merger of UWEZO Fund, Youth Enterprise Development Fund, Women Enterprise Fund, and Micro and Small Enterprises Authority into Biashara Kenya Fund in order to provide a one-stop shop for affirmative action groups seeking affordable and accessible business loans, as well as improve efficiency and effectiveness and eliminate overlaps. The findings of this impact assessment are expected to assist the Biashara Kenya Fund Board in identification of critical areas of success for up scaling, areas of weaknesses, resource gaps, and inform future planning for Biashara Kenya Fund.

1.2 T Specific Objectives of the assessment:

1. Conduct an assessment that would set the basis for measuring progress and impact of the target beneficiaries, their families and communities by looking at various indicators;
2. Evaluate the expected socio economic achievements from the utilization of the funds taking into account the funds objectives;

3. Evaluate the capacity of the Funds' beneficiaries to efficiently utilize the funds for their benefit;
4. Evaluate the level of awareness among various stakeholders about the fund and conditions of accessing the funds;
5. Recommend strategies for improvement.

2.0 METHODOLOGY

2.1 Data Collection Methods and Tools

As mentioned in the TORs, the aim of the study was to investigate the impact of AAFs with the objective of merging the YEDF, WEF and UWEZO funds into a Biashara Fund. In order to achieve the relevant information, both qualitative and quantative methods of data collection and analysis were used.

Affirmative Action Fund Beneficiaries

The first source of data was the AAF beneficiaries. This included focus group discussions, semi-structured individual and small group interviews (in person, and on phone); and individual email consultations. People consulted included Key Informants (KIs) from the respective Affirmative Action Funds in the Headquarters in Nairobi as well as those within the beneficiary locations in the Counties selected.

Data Collection Tools

All individual and group interviews followed agreed upon **interview and focus group protocols** tailored to the respective stakeholder group and aligned with the overall impact assessment framework. Initial interview questions were open-ended, thus allowing consulted stakeholders to focus on and highlight the specific issues they consider to be most relevant in relation to the impact of Affirmative Action Funds (AAF). As the interviews progressed, the assessment team members provided a number of thematic prompts to elicit additional information on specific topics addressed in the impact assessment framework.

Official Documents and Databases

The second data source consisted of relevant literature, documents, databases and other types of written information that could inform the desk review part of the impact assessment. Key documents, research studies were reviewed continuously as the assignment evolved, based on recommendations from interviewed stakeholders. A common **review framework** guided the reviewing and capturing of core information and thus ensured a coherent review approach across the assessment.

Relevant Literature

The third data source was the available literature on Affirmative Action Funds. In reviewing relevant publications the study focused on the timeframe since the AAFs establishment. In selecting literature to be included in the assessment, the team was guided by suggestions from the Department of Gender, and respective AAFs. The literature review allowed for the contextualization of the impact of the AAFs in light of their founding mandates.

Observation

The fourth source of data was observations made during the visits to selected counties. The focus during these visits was on eliciting information about contributions to impact at the county level; as well as on synergies among normative, inter-funds coordination and operational effectiveness.

Case Studies

Case studies involved a detailed contextual analysis of a limited number of events or conditions and their relationships.

2.2 Data Analysis and Synthesis

The following methods of data analysis were employed:

1. Descriptive analysis was used to understand the contexts in which the AAFs were established, and to describe socio-economic impact of the AAFs. Descriptive analysis was used as a first step, before moving on to more interpretative approaches.
2. Content analysis constituted the core of the qualitative analysis. Documents and stakeholder consultation notes were analyzed to identify

common trends, themes, and patterns for each of the key units of analysis and in relation to the impact of the respective AAFs. Content analysis was also used to flag diverging views and opposite trends.

3. Quantitative/Statistical analysis was used to interpret quantitative data. Quantitative analysis of key AAFs databases and datasets constituted a considerable part of the initial review, but was also used e.g. related to quantitatively analyzing data generated through the field work and Key Informants interviews.
4. Comparative analysis was used to examine findings across different counties, AAFs, or other criteria; and to identify best practices, innovative approaches, and key trends. This type of analysis has been used throughout the process, to examine information and data from stakeholder consultations and document/file and literature review.

To ensure validity of data, and as part of the process of synthesizing information derived from different data sources and through different means of data collection, the following methods have been used.

a. Triangulation – i.e. comparing data generated from different data sources to identify trends and/or variations;
b. Complementarity – i.e. using data generated through one method of data collection to elaborate on information generated through another, e.g. use stakeholder consultations to explore reasons for strengths or shortcoming indicated in existing documents.

2.3 Selection of Sample

The consultants clustered all 47 counties in the country into ten (10) regions and sampled one (1) county in every region as shown in Table 1.

Table 1: Cluster of Regions and Counties Sampled

Serial No.	Region	Sampled County
1.	Rift Valley	Laikipia
2.	Rift Valley	Bomet
3.	Eastern Region	Kitui
4.	Eastern Region	Meru
5.	Central Region	Nyeri
6.	Central Region	Kirinyaga
7.	Nyanza	Homabay
8.	Western Region	Bungoma
9.	Coast	Kilifi
10.	North Eastern	Garissa

The rationale and justification for the sampled counties was based on the following:

1. Due to budgetary and time constraints, it was impossible for the study to cover the breadth of all the 47 Counties in Kenya. Ease of accessibility of the counties either by road or air informed the choice of the 10 counties.
2. The priority list from UN Women who have already done a lot of training on Access to Government Procurement Opportunities (AGPO) (treated counties) Kilifi, Kitui, Laikipia, Nyeri, Bungoma, and Homabay. These counties had been trained on AGPO processes and had also been beneficiaries of AAFs. Thus, the use of AGPO is not exclusive but must be seen in relation to utilization of AAFs in pursuance of AGPO opportunities.
3. Non trained counties (Not treated) to help in triangulation (Meru and Garissa)

The consultants undertook field visits and data collection to 10 sampled counties spread throughout the country and data was collected using the data collection tools mentioned above. The interviewed beneficiaries included youth, women and persons with disability (PWDs). At least 3 FGDs (12 persons per group comprising of females only and males only) were conducted in each of the five sampled Counties by each consultant. The FGDs were organized by the officers from each of the funds on the day that the beneficiaries were meeting since the consultants and UN Women did not have facilitation resources to pay for the hiring of halls or to pay for travelling allowances for the participants.

A minimum of 10 Face to Face interviews were also conducted per county for those women, youth and persons with disabilities who may not have benefited from the Affirmative Action Funds. In total, 107 face-to-face interviews were conducted.

2.4 Number of Counties, Number and Gender of Respondents

In order to achieve the objectives, a questionnaire (attached) was administered to individual respondents using face to face methods of intervening, Key informants were interviewed and focus group discussions were conducted. Key informants comprising of CEOs of the 3 funds and the Secretary SDGA were also interviewed using a separate questionnaire (attached).

The study was conducted in 10 counties namely: Nyeri, Meru, Kirinyaga, Kitui, Laikipia, Homabay, Bungoma, Kilifi and Garissa. The counties and the number of respondents are shown in Table 2.

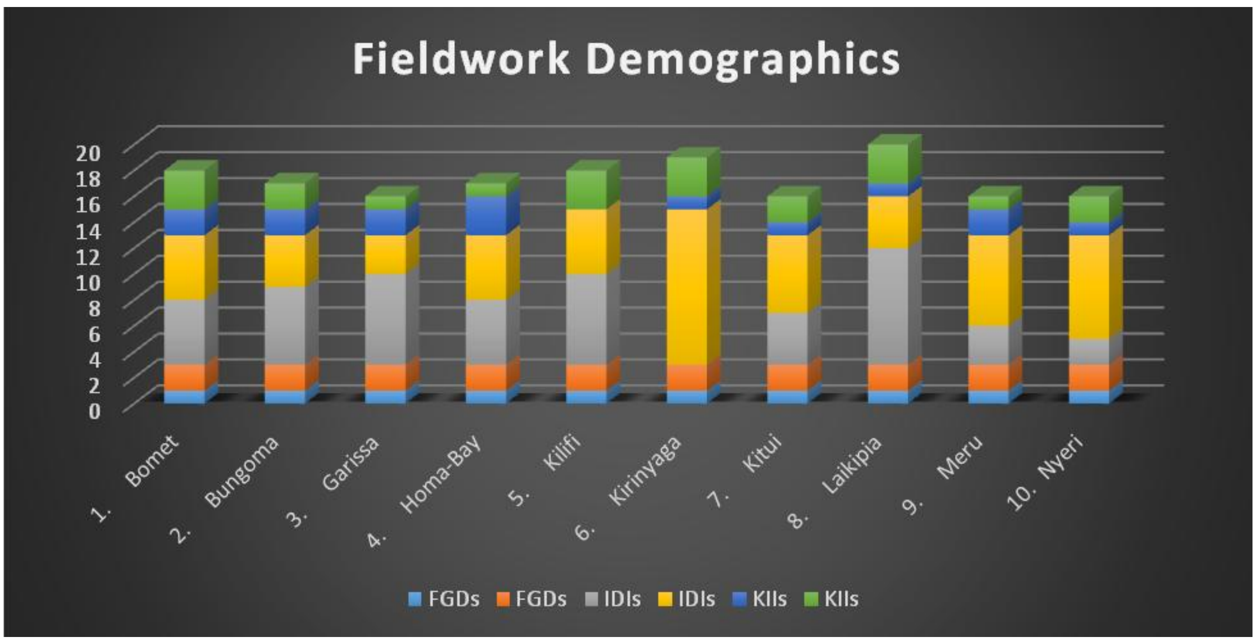
Table 2: Number of Counties and number of Respondents by Gender

	County	FGDs		Face to Face		Key Informants	
		No. of Male FGDs	*No. of Female FGDs*	*Male*	*Female*	*Male*	*Female*
1.	Bomet	1	2	5	5	2	3
2.	Bungoma	1	2	6	4	2	2
3.	Garissa	1	2	7	3	2	1
4.	Homa-Bay	1	2	5	5	3	1
5.	Kilifi	1	2	7	5	0	3
6.	Kirinyaga	1	2	0	12	1	3
7.	Kitui	1	2	4	6	1	2
8.	Laikipia	1	2	9	4	1	3
9.	Meru	1	2	3	7	2	1
10.	Nyeri	1	2	2	8	1	2
Totals		**10**	**20**	**48**	**59**	**15**	**21**
Total		**30**		**107**		**36**	

The respondents comprised both male and female. The number of females was more in all cases indicating more interest in the Affirmative Action Funds by women than men. For example, it was very hard mobilising men for focus group discussions and the consultants ended up having only 1 male FGD in each of the 10 counties making a total of 10 male FGDs compared to 20 female FGDs.

In the face to face interviews, out of a total of 107 respondents, the males were 48 compared to 59 females. Among the key informants, there were only 15 men compared to 21 women. In Kirinyaga the consultants did not manage to get any male respondents in the face to face interviews while Kilifi did not also produce any male key informant as shown in Figure 1.

Figure 1: Field Work Demographics



These results are not surprising since, from the databases and document reviews, it was found that male beneficiaries totaled 31.5%. Persons living with Disabilities (PLWDs) formed the smallest category of beneficiaries nationally and in all counties totaling only 34,704 persons translating to only 3% of the total number of UWEZO beneficiaries. The male youth beneficiaries were 29% while women beneficiaries were 68%.

The ages of the face to face participants ranged between 19 and 75 years and this also differed by County as shown in Table 3.

Table 3: Age of Respondents by County

Age of Respondents by County									
Bomet	***Bungoma***	***Garissa***	***Homa Bay***	***Kilifi***	***Kirinyaga***	***Kitui***	***Laikipia***	***Meru***	***Nyeri***
45	33	23	42	39	43	35	30	32	34
60	47	64	38	30	43	35	54	58	37
45	26	43	70	33	35	40	33	75	46
62	25	38	45	42	38	36	40	25	24
46	29	24	33	31	50	45	35	32	38
43	34	24	39	40	57	30	23	40	35
33	30	37	28	55	50	30	63	38	61
35	36	30	32	34	38	53	54	48	55
32	38	30	30	62	58	49	52	54	50
34	19	36	27	50	43	43	30	45	42
				37	43		26		
				30	43		40		
							28		
435	**317**	**349**	**384**	**483**	**541**	**396**	**508**	**447**	**422**
43.5	**31.7**	**34.9**	**38.4**	**40.3**	**45.1**	**39.6**	**39.1**	**44.7**	**42.2**

Kirinyaga had the highest average age of 45.1 years while Bungoma had the lowest at 31.7 years as shown in Figure 2.

Figure 2: Age Distribution by County

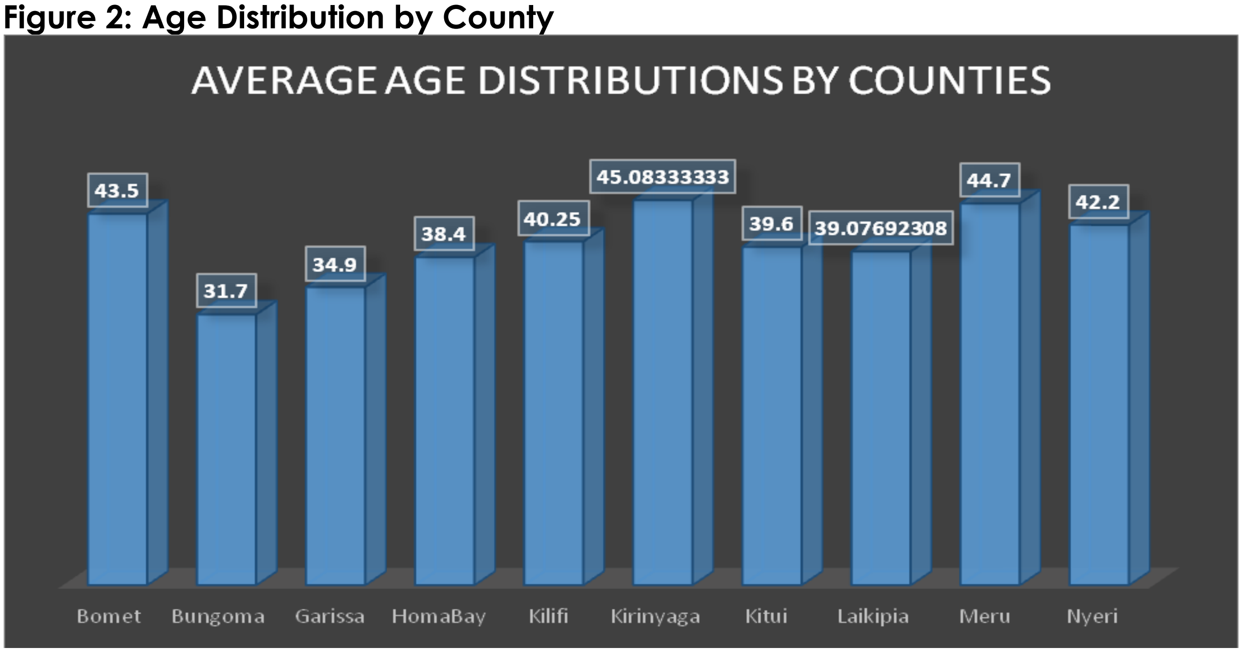
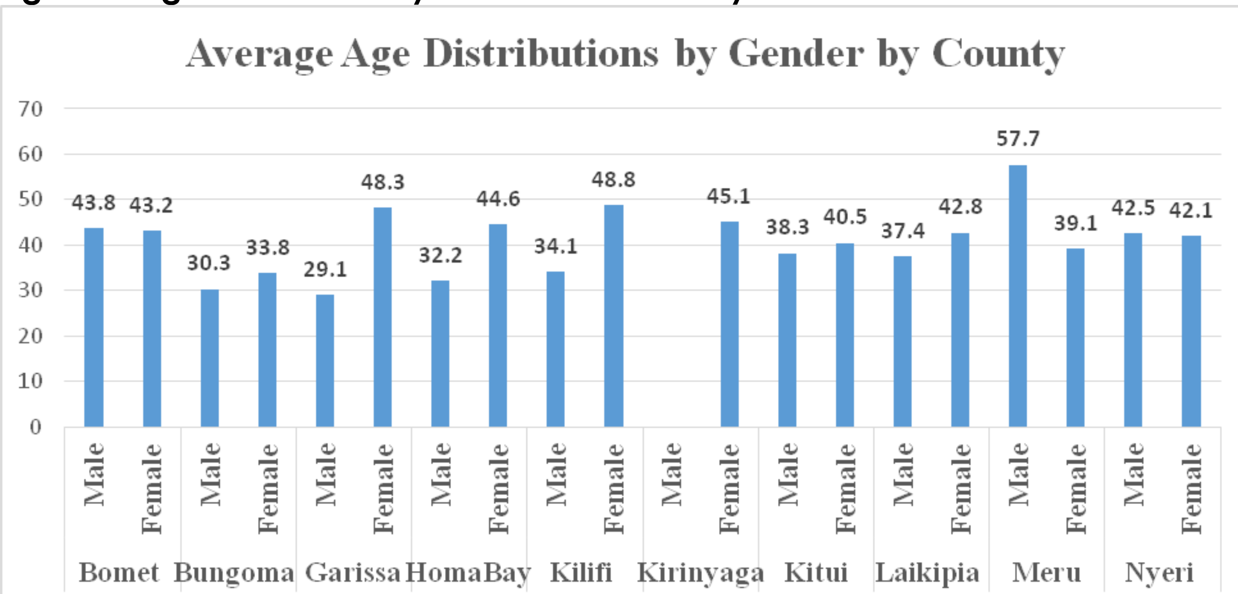


Figure 3 shows the age distribution by gender and county with Meru having the oldest male respondent.

Figure 3: Age Distribution by Gender and County



2.5 Challenges in Methodology and Limitations

This assessment was carried out using fundamental evaluation parameters. However, the limited timeframe of 38 days from inception to final reporting was a limiting factor to study the three AAFs across 10 counties comprehensively and to be able to generalize the findings in all the 47 counties. In addition, lack of a baseline for the AAFs hindered comparative analysis of the before and after situations to measure the change effects generated by the AAFs. In effect, the assessment relied on retrospective questions to disclose the perceptions of the beneficiaries about the changes brought to them by the AAFs on financial and non-financial services as a quick one-shot case study.

In addition, the use of respective fund and national government officials to mobilise respondents meant that respondent's feedback might have been affected by administrator's presence. However, to the extent possible, the study mitigated against this risk through conducting face-to-face interviews as well as subjecting data through a layered process of triangulation.

3.0 DOCUMENT AND LITERATURE REVIEW

3.1 Literature Review Methodology and Sources of Data

This section has used mainly desk review of literature. It has done literature search for material covering WEF, government YEDF and UWEZO Fund.

The materials were sourced from the following:

1. Government, government agencies and semi-autonomous government agency policy documents;
2. Published literature covering the three areas of study;
3. Grey literature both published and unpublished;
4. Kenya Law Reports (for relevant Acts).
5. The Constitution of Kenya 2010

To locate these documents, the consultants did an extensive search of the websites of the various organizations in addition to visiting various data bases such as Google Scholar, HINARI, JSTOR, Kenya Law Reports and so on. A set of key search terms were developed to facilitate a comprehensive search of the review material.

The documents were then reviewed. The review was organized around the three areas covering the scope of the consultancy which was based on review criteria that was developed around the TORs. A set of review questions covering each area of the study were developed to guide the reviewing of the documents. Following the review of the documents, the consultants compiled the report by thematic areas.

The consultants also engaged in intensive interaction and extensive discussions and exchange/sharing of the information gathered with officers from State Department of Gender Affairs, WEF, UWEZO and YEDF Fund managers and officers from UN WOMEN. This material was then organized for report writing.

3.2 Women Enterprise Fund

The government has in one way or the other been involved in programs to help women achieve economic empowerment. Some of these are in the form of special funds for women which they can borrow at low interest rates in order for them to expand their businesses. One of these is the Women Enterprise Fund.

The government established the WEF as a flagship project in Vision 2030 to address serious national development challenges regarding the marginalization and exclusion of women from mainstream economy. The Fund's structure, policies, processes and products are deliberately designed to address the challenges that have contributed to marginalization and exclusion of women.

The goal of the government in the Vision 2030 regarding women is to reduce gender disparities by making fundamental changes in four areas. These are opportunity, empowerment, capabilities and vulnerabilities. These changes are aimed at increasing women's access to education, training, capital and other productive resources. WEF has been in the fore front to address these issues through facilitating access to finance and other business development services to women entrepreneurs, including capacity building and facilitation of access to business linkages among others.

The Women Enterprise Fund was incorporated/ established under the Legal Notice No.147 of 2007. The Fund is domiciled in Kenya and has branches in sixteen regions, namely; Nairobi, Nyeri, Embu, Rumuruti, Garissa, Nakuru, Kakamega, Kisumu, Eldoret, Kapenguria, Kisii, Malindi, Wajir, Machakos, and Mombasa.

The Fund is a Semi-Autonomous Government Agency under the Ministry of Public Service, Youth and Gender affairs established primarily to provide accessible and affordable credit and business support services to women entrepreneurs to start and/or expand business for wealth and employment creation.

Its motto is: "***When you empower a woman, you empower a family and a whole nation***". The economic empowerment of women is crucial in today's world. It's one of the key highlights of the sustainable development goals and Kenya's vision 2030. There are several projects and initiatives by the Kenyan government which contribute towards these goals with regard to women empowerment. One such project is women Enterprise fund.

Mandate

The objective of WEF is to mobilize resources for sustainable access to affordable financial and business support services to empower Kenyan women. Its mandates are:

(i) Provision of affordable and accessible credit to women for enterprise development;
(ii) Capacity building of women beneficiaries and their institutions;
(iii) Promotion of local and international marketing;
(iv) Promotion of linkages of micro, small and medium enterprises owned by women with big enterprises, facilitate and support investments in infrastructure that support women enterprises such as markets, business incubators and so on.

In its endeavour to realize its vision and mission, WEF upholds the following core values:

- Integrity;
- Accountability and Transparency;
- Team work;
- Innovativeness;
- Professionalism;
- Respect for diversity; and
- Customer focus

The target customers are economically active Kenyan women from 18 years and above, who want to start business or are in growth oriented enterprises. The Fund supports women in micro, small and medium enterprises from all sectors of the economy. It funds individual women aged 18 years and above, registered women self-help groups, companies owned by women and also men who can be members of the group provided that 70 per cent of the members are women and all leadership positions and signatories to the accounts are held by women.

There are two channels of accessing the WEF Loans. These are the Constituency Women Enterprise Scheme (CWES) and the Financial Intermediary Partners (FIS). In the Constituency Women Enterprise Scheme channel, the loan product offered is known as Tuinuke Loan. The WEF though this channel gives loans to registered self-help groups of 10 members and above comprising 100 per cent women or 70 per cent women and 30 per cent men. All leadership positions in this group must be held by women. The group must have an account in a Bank/SACCO FOSA/Post Bank/Deposit Taking Micro-finance (DTM) and must have been in existence for at least 3 months. The loan is generally interest free, with only 5 per cent administrative fee and is repayable within one year, with a grace period of 3 months before repayment begins.

The WEF works closely with the District Gender and Social Development offices (DGSDO) and loan application forms are usually for free from these offices. The DGSDOs also work closely with the Regional Credit Coordinators (RCCs). WEF volunteers mobilize women and sensitize them about the Fund and how to access loans. Loan applications are vetted by Constituency Women Enterprise Fund Loan Committees (CWEFLC) who are found in every constituency.

The membership of the Constituency Women Enterprise Fund Loan Committees comprises of the District Gender and Social Development officer, The District Officer, Local *Maendeleo ya Wanawake* representative, District Youth Officer or

Youth Enterprise Development Fund officer, Representative of a local Financial Intermediary partner and the WEF Constituency Volunteer.

The minimum first loan is usually Ksh.100000 and after successful repayment, the group can borrow a second loan of Ksh.200000, a third of Ksh.350000 and a fourth one of Ksh.500000 at no interest rate. The grace period for the 1st and 2nd loan is 3 months and 2 months respectively and thereafter one month's grace period.

The other channel through which the WEF loans money is the Financial Intermediary Partners (FIS). The Fund has partnered with 83 financial partners spread in all the 47 counties. The loan product offered through this channel is known as Jiimarishe Loan. The loan is given to individual women, Self Help Groups or companies owned by women at an affordable rate of interest of 8 per cent per annum on reducing balance. The maximum amount per borrower is Kshs.2 million. It is important to note that any amount above Kshs.500000 requires WEF board's approval and repayment period is 36 months. There is flexibility of security which differs depending on Financial Intermediary.

In 2012, the Women Enterprise Fund emerged winner of the Millennium Development Goals (MDGs) Award for outstanding achievement in promoting Gender Equality and Women Empowerment (3rd MDG).

However, these achievements notwithstanding, the fund appears to entrench the stereotype that women's businesses are supposed to remain small as the amounts loaned and especially at the constituency level are too small to make any significant difference in the size of business for individual women as it is too small and spread across a number of individual women and economic empowerment remains elusive.

Loans disbursed since inception

The amount of LPO loans approved since inception as at 31st December 2018 stood at Ksh.59,429,550 while the amount disbursed during the same period was

Ksh.43,600,397 leaving a balance of Ksh.15,829,153. The amount of money allocated by the WEF to be allocated through financial intermediaries was Ksh.2,359,000,000 while the actual amount released was only Ksh.1,853,080,000 (79%) implying lack of absorptive capacity or challenges facing this channel of releasing funds to the intended beneficiaries. The amount repaid by the women was quite impressive Ksh.1,780,657,000 (96.1%) showing a great commitment on the part of the borrowers.

The amount of money disbursed through the Constituency Women Enterprise Scheme (CWES) to 65,535 groups was Ksh.8,829,257,350 implying an average amount of Ksh.134,726 per group which is very little to make any big difference to the size of business not forgetting the fact that the amount is allocated to a women's group and therefore spread too thin. Table 4 shows the status of WEF disbursed to Savings and Credit Cooperative Societies (SACCOS) as at 31st December 2018.

Table 4: SACCO Loan Status as at 31/12/2018

SACCO Loan status as at 31/12/2018			
No	**County**	**FI/SACCO Name**	**DISBURSED AMOUNT(Kshs.)**
1	Nakuru	NAKURU NORTH DISTRICT WOMEN SACCO LTD	500,000
2	Kiambu	TAI SACCO LTD	5,000,000
3	Siaya	BONDO TEACHERS SACCO SOCIETY LTD	5,000,000
4	Nairobi	KENYATTA MATIBABU SACCO	5,000,000
5	Baringo, Uasin Gishu, Nakuru and Nairobi	FRIENDS WOMEN EMPOWERMENT ORGANIZATION (formerly Friends of Ravine Women Empowerment Organization)	10,000,000
6	Kirinyaga	KAPACWA SACCO SOCIETY LTD	500,000
7	Nairobi, Kakamega, Homabay, Migori	COMOCO SACCO LIMITED	10,000,000
8	Elgeyo Marakwet	SMARTLIFE SACCO (formerly Marakwet Teachers Sacco)	9,000,000
			45,000,000

Source: https://www.wef.co.ke/

The amount loaned by WEF to Women SACCOs amounted to Ksh.45,000,000 but data on repayment rate is not available.

As at 25th January 2019, the amount of credit disbursed to 93,850 groups and 1,586,555 individuals/institutions stood at 14,650,993,230 as shown in Table 5.

Table 5: Summary of Global Funding as at 25th January, 2019

Lending Channel	Number of Groups	Number of Individuals/Institutions	Amount Disbursed (Kshs.)
CWES/Group Lending	93,850	1,423,067	12,706,521,530
Financial Intermediaries (FIs)	Not applicable	163,380	1,841,830,000
LPO Financing	Not applicable	100	57,641,700
SACCO Funding	Not applicable	8	45,000,000
Total	**93,850**	**1,586,555**	**14,650,993,230**

Source: https://www.wef.co.ke/

Table 6 shows the number of groups, number of members, total loans disbursed, amount due, total paid, loan balance and the repayment rate by county.

Table 6: Women Enterprise Funds Performance by County: Jan 2019

County	No. of Groups	No. of Members	Disbursed Loan Amount	Total Due	Total Paid	Loan Balance	Rep Rate %
BARINGO	1,176	18,621	150,350,000	127,341,667	121,679,005	28,370,995	96
BOMET	1,769	26,010	201,560,000	161,030,832	137,720,836	62,472,393	86
BUNGOMA	2,722	41,456	364,763,000	299,367,167	290,279,942	74,049,608	97
BUSIA	1,534	23,883	208,125,000	172,587,500	163,396,975	43,653,569	95
ELGEYO MARAKWET	659	9,959	81,900,000	66,333,334	62,526,147	18,490,963	94
EMBU	2,210	32,851	350,924,200	265,411,702	274,201,971	70,652,127	103
GARISSA	672	9,935	75,100,000	57,591,666	43,127,587	31,134,578	75
HOMA BAY	2,908	46,599	399,633,200	335,810,702	322,111,658	77,692,096	96
ISIOLO	624	9,291	68,650,000	53,312,500	42,370,624	25,905,026	79
KAJIADO	1,482	21,988	205,550,000	164,962,499	144,778,979	60,668,843	88
KAKAMEGA	3,910	60,951	522,303,000	433,003,001	416,266,761	101,927,762	96
KERICHO	1,911	28,976	238,100,000	190,250,001	182,238,330	55,261,023	96
KIAMBU	6,321	91,427	922,500,000	691,500,002	694,675,867	220,824,716	100

KILIFI	2,552	37,168	315,638,980	252,103,147	244,720,589	66,229,191	97
KIRINYAGA	2,193	34,549	342,739,000	267,791,086	282,542,114	57,827,654	106
KISII	2,514	39,646	268,326,000	223,630,167	180,884,748	85,284,153	81
KISUMU	2,724	43,153	351,600,000	281,062,502	274,466,752	70,408,127	98
KITUI	3,048	46,909	339,288,000	270,332,999	250,679,934	74,003,819	93
KWALE	1,437	20,480	174,750,000	139,979,167	129,249,590	37,138,320	92
LAIKIPIA	998	15,294	138,900,000	112,870,833	116,078,934	17,534,616	103
LAMU	585	8,212	75,250,000	59,691,667	54,494,997	18,955,003	91
MACHAKOS	2,374	36,147	289,080,000	228,059,167	219,167,967	67,212,835	96
MAKUENI	1,732	26,724	184,819,000	137,081,499	130,070,992	49,486,957	95
MANDERA	369	5,788	41,050,000	32,387,500	25,873,693	12,926,307	80
MARSABIT	474	7,194	47,888,000	41,904,667	35,353,846	11,025,654	84
MERU	3,488	54,270	490,552,000	364,118,668	366,933,187	121,988,615	101
MIGORI	2,204	36,853	219,000,000	175,608,334	150,507,588	62,162,282	86
MOMBASA	2,561	36,909	431,620,450	352,764,585	358,850,296	68,715,288	102
MURANGA	3,642	57,864	512,408,000	393,870,502	409,467,324	86,242,375	104
NAIROBI	4,873	68,685	737,198,000	561,423,001	540,246,482	185,331,054	96
NAKURU	4,870	71,000	739,800,000	574,129,169	573,776,185	148,308,059	100
NANDI	1,676	26,071	231,499,000	190,803,167	184,548,213	40,396,914	97
NAROK	1,000	14,874	118,450,000	99,808,333	82,355,447	35,628,153	83
NYAMIRA	722	11,509	76,047,300	62,509,800	45,176,085	30,943,878	72
NYANDARUA	2,497	38,361	359,760,000	280,428,751	294,442,347	62,087,373	105
NYERI	5,032	73,984	924,000,000	690,966,673	735,122,363	167,215,998	106
SAMBURU	476	6,958	65,607,000	39,226,667	37,033,813	12,694,261	94
SIAYA	1,646	26,596	159,162,900	134,387,566	122,896,409	35,797,997	91

TAITA TAVETA	1,420	21,503	194,354,500	162,770,784	155,567,783	37,880,053	96
TANA RIVER	685	8,739	76,300,000	51,412,498	49,843,240	26,440,370	97
THARAKA-NITHI	1,281	20,130	176,900,000	140,204,168	139,856,749	36,624,761	100
TRANS NZOIA	1,711	25,849	217,175,000	183,474,999	153,214,339	62,731,587	84
TURKANA	611	9,416	67,500,000	57,912,500	47,083,258	20,292,242	81
UASIN GISHU	1,719	26,663	213,350,000	181,950,001	162,951,616	48,408,348	90
VIHIGA	1,643	25,020	219,850,000	183,850,000	171,791,763	46,630,767	93
WAJIR	939	15,002	89,450,000	75,408,333	61,391,288	27,943,984	81
WEST POKOT	256	3,600	27,750,000	21,179,167	19,977,815	7,837,287	94

Source: https://www.wef.co.ke/

As Table 6 shows, Nyeri County had the highest amount of loans disbursed amounting to Ksh.924,000,000 followed by Kiambu - Ksh. 922,500,000; Kakamega - Ksh.522,303,000; Muranga- Ksh. 512,408,000, and Meru at 490,552,000 respectively. The county that had the least amount of loans disbursed was West Pokot which received only Ksh. 27,750,000, followed by Mandera, Ksh. 41,050,000; Marsabit – Ksh. 47,888,000; Samburu – Ksh. 65,607,000 and Garissa, Ksh. 75,100,000.

In terms of loans repayment, Nyeri and Kirinyaga lead the pack at 106%, followed by Nyandarua at 105%, Muranga, 104%, Laikipia and Embu at 103%, Mombasa, 102%, Meru, 101%, Tharaka Nithi, Nyakuru and Kiambu at 100%. The average repayment rate of the WEF loans as at 25th January 2019 was 97%.

3.3 UWEZO Fund

The UWEZO Fund is also a flagship programme for Vision 2030 aimed at enabling women, youth and persons with disability, access finances to promote businesses and enterprises at the constituency level, thereby enhancing economic growth towards the realization of vision 2030. The Fund's activities contribute towards achievement of Sustainable Development Goals No. 1 (end poverty in all its forms), No. 5 (Achieve gender equality and empower all women and girls, No. 8 (promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all) and No. 10 (Reduce inequality within and among countries) by providing affordable credit to youth, women and persons with disabilities.

The Fund was launched by His Excellency the President of the Republic of Kenya on 8th September 2013 and enacted through a Legal Notice No. 21 of the Public Finance Management Act, 2014, and published on 21st February, 2014.

UWEZO Fund has since its establishment, expanded access to finances and promoted women, youth and persons with disabilities led enterprises at the constituency level. The Fund has a Capacity Building Programme, which seeks to provide the target groups with a broad range of business development services and mentorship opportunities to promote informed and effective participation of beneficiaries of the Fund in the development agenda. The programme uses mentorship techniques to enable the beneficiaries take advantage of the 30% government procurement preference under the Access to Government Procurement Opportunities (AGPO) framework. UWEZO Fund is therefore an avenue for incubating enterprises, catalyzing innovation, promoting industry, creating employment, and growing the Kenyan economy. Further, in its endeavour to achieve its objectives, the Fund continues to collaborate with various stakeholders such as; Financial Institutions, Affirmative Funds and other Government Agencies.

Objectives of the Fund

The objectives for which the Fund was established are: -

i. To expand access to finances in promotion of youth and women businesses and enterprises at the constituency level for economic growth towards the realization of the goals of Vision 2030;
ii. To generate gainful self- employment for the youth and women; and

iii. To model an alternative framework in funding community driven development.

Guiding Principles of the Fund

The guiding principles of UWEZO Fund are:

1. **Representation:** to ensure the inclusion of all eligible Kenyans including women, youth and persons with disabilities. Elected parliamentary representatives and respective government officials must be involved in the fund management and administration to ensure transparency and equity.
2. **Accountability:** to ensure government is held responsible to the citizenry for its decisions and actions.
3. **Accessibility:** guaranteeing accessibility at the lowest level of engagement and for the largest category of recipients using a simple, structured and least cost approach.
4. **Economy:** use of the best but least cost mechanism to achieve the desired objectives.

Table 7 shows the UWEZO Fund loan status by County for the 2013/2014 - 2018/19 financial years.

Table 7: UWEZO Fund Loan Status by County for the 2013/2014-2018/2019 FY

County	County Allocation (Kshs.) 2013/14	County Allocation (Kshs.)- 2016/17	County Allocation (Kshs.)- 2018/19	Cummulative County Allocation (Kshs.)	Amount Disbursed	Amount revolved from repayment Account	Amount Due- (Kshs.)- March 2019	Repaid Amounts (Kshs)- March 2019	Repayment Rate - March 2019
MOMBASA	95,267,093	8,896,150	7,917,574	112,080,817	108,569,428	10,531,102	88,812,490	40,741,860	46
KWALE	91,692,384	8,562,340	7,620,482	107,875,206	109,890,000	17,033,071	94,062,125	34,980,767	37
KILIFI	148,210,925	13,840,106	12,317,694	174,368,725	159,435,000	5,759,930	145,584,583	30,118,345	21

TANA RIVER	55,897,154	5,219,740	4,645,569	65,762,463	58,730,000	-	46,045,833	697,966	2
LAMU	30,287,562	2,828,287	2,517,176	35,633,025	22,375,000	-	22,125,000	3,155,314	14
TAITA TAVETA	66,713,963	6,229,826	5,544,545	78,488,335	85,093,000	12,133,053	68,756,542	40,743,375	59
GARISSA	110,216,375	10,292,131	9,159,997	129,668,503	110,260,000	-	110,072,500	6,582,902	6
WAJIR	126,734,312	11,834,595	10,532,790	149,101,697	108,355,000	-	101,255,000	3,551,949	4
MANDERA	152,310,190	14,222,900	12,658,381	179,191,471	131,837,000	-	120,803,667	1,083,299	1
MARSABIT	72,832,991	6,801,228	6,053,093	85,687,312	47,590,000	-	49,940,000	3,208,038	6
ISIOLO	35,256,171	3,292,262	2,930,113	41,478,546	37,179,916	655,648	29,229,916	6,416,236	22
MERU	157,866,281	14,741,734	13,120,143	185,728,158	177,687,000	21,725,631	165,143,667	79,846,670	48
THARAKA NITHI	53,366,902	4,983,462	4,435,282	62,785,646	64,818,705	9,541,849	52,681,058	32,997,027	63
EMBU	69,790,232	6,517,092	5,800,212	82,107,535	88,643,623	12,776,299	67,920,706	46,469,320	68
KITUI	158,924,668	14,840,567	13,208,105	186,973,340	174,463,000	14,511,018	167,678,750	76,128,110	45
MACHAKOS	147,783,678	13,800,209	12,282,186	173,866,073	173,113,280	18,099,054	160,536,563	62,573,893	39
MAKUENI	125,491,718	11,718,560	10,429,519	147,639,797	142,062,980	18,249,274	126,064,813	52,743,993	42
NYANDARUA	87,557,050	8,176,178	7,276,798	103,010,026	123,502,900	24,955,001	97,009,279	56,725,230	58
NYERI	96,894,838	9,048,151	8,052,854	113,995,843	121,910,000	27,679,987	100,436,875	62,622,534	62
KIRINYAGA	66,225,607	6,184,223	5,503,958	77,913,788	86,643,000	9,765,980	66,406,750	50,586,294	76
MURANG'A	121,712,109	11,365,616	10,115,398	143,193,123	163,363,200	43,425,361	144,393,817	76,568,215	53
KIAMBU	197,262,358	18,420,585	16,394,320	232,077,263	263,340,000	58,748,658	228,508,750	119,765,753	52
TURKANA	142,190,212	13,277,885	11,817,318	167,285,414	121,060,000	-	108,573,333	11,249,132	10
WEST POKOT	82,465,237	7,700,698	6,853,621	97,019,556	77,322,000	-	80,730,333	10,022,789	12
SAMBURU	54,180,188	5,059,408	4,502,873	63,742,469	48,010,000	-	47,826,667	8,625,535	18
TRANS NZOIA	95,877,943	8,953,192	7,968,341	112,799,476	113,000,775	12,461,068	91,800,525	22,605,649	25

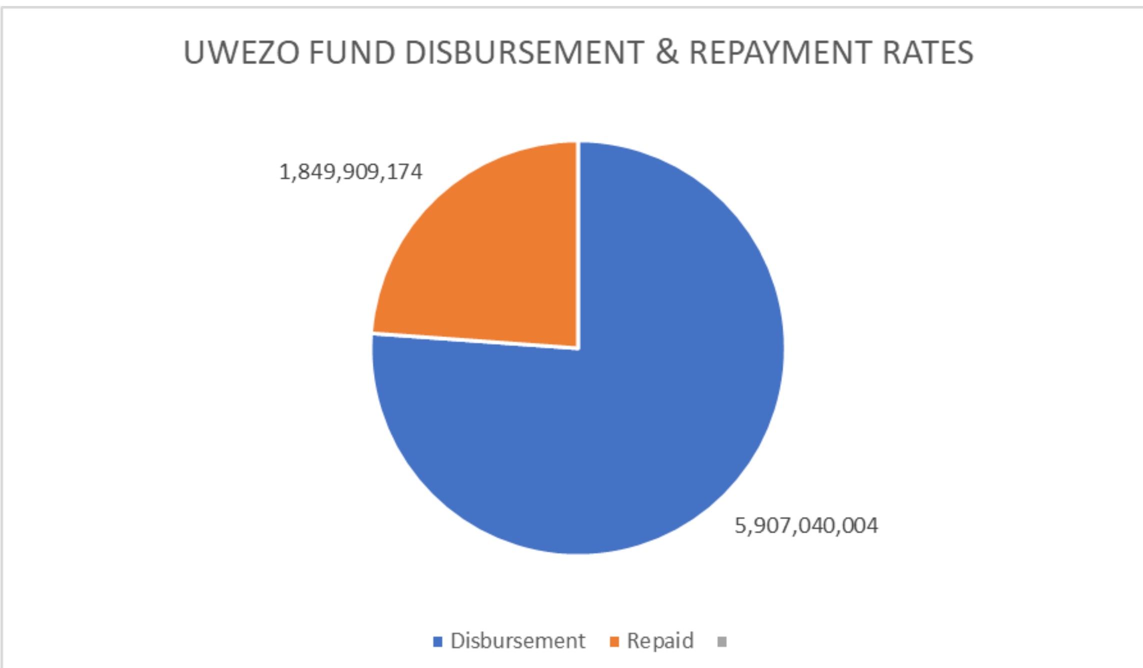
UASIN GISHU	107,017,756	9,993,440	8,894,162	125,905,358	124,525,000	14,352,875	107,122,500	52,042,944	49
ELGEYO MARAKWET	70,802,857	6,611,652	5,884,370	83,298,879	78,588,865	6,713,569	71,540,948	34,934,621	49
NANDI	106,863,584	9,979,044	8,881,349	125,723,977	112,230,000	9,040,827	106,902,500	43,793,159	41
BARINGO	106,025,799	9,900,811	8,811,721	124,738,331	115,465,000	14,642,092	97,049,583	41,831,946	43
LAIKIPIA	56,609,390	5,286,250	4,704,762	66,600,402	62,902,582	6,300,000	52,225,000	26,546,803	51
NAKURU	191,905,859	17,920,389	15,949,146	225,775,394	259,826,000	59,659,080	229,327,458	118,259,687	52
NAROK	110,670,631	10,334,550	9,197,750	130,202,931	119,353,977	5,673,624	107,404,577	20,756,730	19
KAJIADO	89,908,568	8,395,765	7,472,231	105,776,564	103,418,000	10,319,887	96,894,042	26,113,699	27
KERICHO	106,422,978	9,937,900	8,844,731	125,205,608	109,565,700	1,120,000	110,013,475	37,575,090	34
BOMET	98,868,415	9,232,446	8,216,877	116,317,737	103,365,650	4,820,000	102,135,650	31,813,871	31
KAKAMEGA	230,744,801	21,547,214	19,177,020	271,469,035	248,145,000	12,943,177	230,525,667	73,136,722	32
VIHIGA	86,279,608	8,056,888	7,170,631	101,507,127	97,697,000	10,018,159	91,174,083	31,870,991	35
BUNGOMA	176,047,623	16,439,529	14,631,180	207,118,332	199,103,325	16,667,937	170,334,744	64,831,901	38
BUSIA	132,395,346	12,363,229	11,003,274	155,761,849	149,040,000	15,634,785	141,596,250	46,690,724	33
SIAYA	108,528,546	10,134,520	9,019,723	127,682,789	119,251,354	21,858,355	115,983,854	46,068,781	40
KISUMU	126,129,140	11,778,084	10,482,494	148,389,718	158,177,000	28,653,749	135,172,417	46,698,229	35
HOMA BAY	147,688,256	13,791,298	12,274,255	173,753,810	155,396,500	5,469,884	159,117,238	35,167,245	22
MIGORI	146,774,935	13,706,011	12,198,350	172,679,296	142,873,000	-	142,186,542	31,313,916	22
KISII	171,469,274	16,011,997	14,250,677	201,731,948	170,489,900	-	170,028,817	12,723,319	7
NYAMIRA	79,402,319	7,414,679	6,599,065	93,416,063	68,742,000	-	69,099,500	6,771,087	10
NAIROBI	260,836,178	24,357,181	21,677,891	306,871,250	290,630,000	25,422,074	255,951,506	80,157,519	31
TOTAL	**5,354,400,004**	**500,000,000**	**445,000,000**	**6,299,400,004**	**5,907,040,660**	**587,362,058**	**5,344,185,895**	**1,849,909,174**	34.6

Source: http://www.uwezo.go.ke/disbursements

From Table 7, it is clear that the Uwezo Fund has cumulatively received Ksh. 6,299,400,004 since inception. Cumulatively from 2013 to 2019, the amount disbursed amounted to Ksh.5,907,040,174. However, this amount varies by county with Lamu receiving the least amount of Ksh. 35,633,825 and Nairobi receiving the highest amount of Ksh. 306,871,250.

The fund's average repayment rate stands at 34.6% with the County with the lowest repayment rate (Mandera – 1%) while Embu County has the highest repayment rate at 68%). The total amount repaid amounted to 1,849,909,174 as shown in Figure 4.

Figure 4: Amount of UWEZO Fund Disbursed and Repaid (2013/14-2018/19)



UWEZO fund is supposed to benefit women, youth and PWDs both in groups and as individuals. In the year 2013/2014, UWEZO fund allocated Ksh. 5,354,400,000 in 290 constituencies implying that on average, each constituency received Ksh.18,463,448 which is too little to make a big impact in terms of growth of the enterprises. From its inception in 2014, the fund has benefited 65,012 groups comprising women, youth and persons with disability. Out these, 40,850 groups belonged to women, 22,446 belonged to the youth while 1,711 belonged to persons living with disability as shown in Table 8. Out of these, females whether among youth, abled or in the disabled formed the bulk of the beneficiaries totaling 694,978 (68.5%) out of a total of 1,000,054 beneficiaries. Male beneficiaries totaled 314999 (31.5%).

Table 8: UWEZO Funding by Gender, Youth and PWD and by County

Constituency	Groups Approved For Funding				Disaggregated Data						Total Individuals Beneficiaries
					Men	Females	Youth (18-35)		PWD		
	Women	Youth	PWD	Total Number of Groups Funded			M	F	M	F	
MOMBASA	679	434	28	1141	1499	6435	2575	1938	197	234	12,878
KWALE	695	364	34	1093	2265	6861	2116	1619	188	230	13,279
KILIFI	1139	482	40	1661	4431	10632	2084	2314	227	398	20,086
TANA RIVER	295	205	14	514	1,258	3,408	1,146	809	114	82	6,817
LAMU	151	122	8	281	1,009	2,791	257	468	194	237	4,956
TAITA TAVETA	573	159	17	749	837	6345	524	398	77	154	8,335
GARISSA	575	563	20	1158	1476	5508	2525	2203	170	214	12,096
WAJIR	329	638	46	1013	3319	3716	3617	2095	188	177	13,112
MANDERA	426	538	27	991	3081	5672	2280	2956	308	396	14,693
MARSABIT	255	263	8	526	1976	4588	6298	5501	154	195	18,712
ISIOLO	203	135	5	343	424	2143	710	744	55	67	4,143
MERU	1,535	581	68	2,184	2,892	27,132	4,425	3,682	493	1,041	39,665
THARAKA NITHI	431	225	24	680	1,321	5,487	1,479	1,064	170	248	9,769
EMBU	636	283	35	954	1579	12001	1950	340	300	386	16,556
KITUI	1702	491	39	2232	4862	30216	1630	2480	620	365	40,173
MACHAKOS	1507	345	48	1900	7712	20355	3349	3122	363	421	35,322
MAKUENI	1186	260	53	1499	4856	16988	2222	1479	493	742	26,780
NYANDARUA	1334	380	42	1756	3326	13395	2739	2362	289	346	22,457
NYERI	1170	337	41	1548	1942	9835	2005	1703	216	223	15,924
KIRINYAGA	618	198	48	864	1545	8562	2297	1174	307	421	14,306

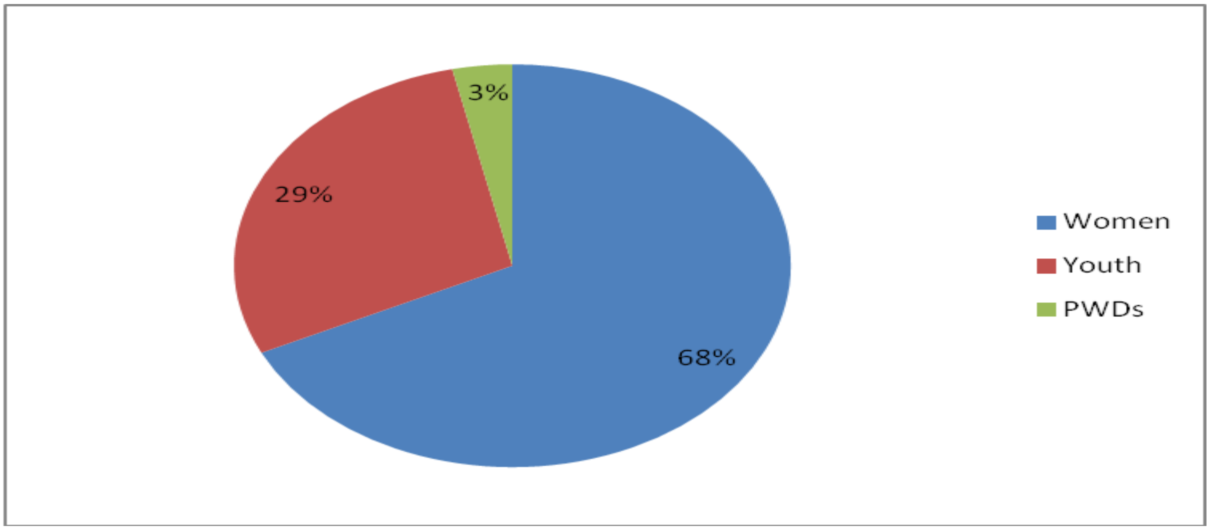
MURANG'A	1231	638	60	1929	3115	16686	4635	3043	1062	3835	32,376
KIAMBU	1689	960	80	2729	4968	17919	5674	4275	1192	621	34,649
TURKANA	484	720	20	1224	3684	7688	9444	4349	412	313	25,890
WEST POKOT	414	327	13	754	751	4420	2044	1957	219	180	9,571
SAMBURU	505	138	10	653	1804	5147	723	399	402	73	8,548
TRANS NZOIA	645	556	28	1,234	2,715	31,380	3,053	2,572	339	342	40,401
UASIN GISHU	816	441	28	1,285	1,827	9,030	3,226	3,304	144	253	17,784
ELGEYO MARAKWET	498	442	4	944	1303	5662	2309	2940	23	22	12,259
NANDI	740	383	44	1167	1518	8994	2331	1763	200	311	15,117
BARINGO	619	364	17	1000	2124	7309	2271	1551	165	163	13,583
LAIKIPIA	536	222	16	774	1470	6817	2042	1855	135	198	12,517
NAKURU	2011	911	86	3008	5436	25129	6617	8652	641	729	47,204
NAROK	797	599	34	1430	2875	9169	3725	2280	395	288	18,732
KAJIADO	738	351	10	1099	2273	6498	2277	996	63	39	12,146
KERICHO	509	350	16	875	1991	7032	1949	1753	173	133	13,031
BOMET	623	653	44	1320	5012	9333	4629	4063	144	115	23,296
KAKAMEGA	1911	927	63	2901	5364	19019	5509	5658	570	323	36,443
VIHIGA	766	287	23	1076	1377	9134	1805	2126	129	299	14,870
BUNGOMA	1200	627	56	1883	5087	13615	4612	4907	374	369	28,964
BUSIA	1022	401	30	1453	3451	9444	2703	2730	304	464	19,096
SIAYA	962	464	35	1461	4844	12590	4042	3117	424	577	25,594
KISUMU	1080	695	64	1839	6582	21737	5462	3758	612	825	38,976
HOMA BAY	1,110	457	98	1665	3697	16241	3850	3932	543	868	29,131
MIGORI	1,066	740	35	1,841	4,385	13,406	5417	4290	387	513	28,398
KISII	1,367	797	65	2,229	5,632	15,920	4,964	4,685	404	449	32,054
NYAMIRA	537	414	17	968	1,687	6,997	4590	3180	148	164	16,766
NAIROBI	1535	1579	70	3184	6853	17072	10250	7490	456	478	42,599
Total	**40,850**	**22,446**	**1,711**	**65,012**	**143,435**	**535,458**	**156,381**	**130,076**	**15,183**	**19,521**	**1,000,054**
						68%		**29%**		**3%**	

Source: http://www.uwezo.go.ke/ and authors' calculations

PWDs formed the smallest category of beneficiaries nationally and in all counties totaling only 34,704 persons translating to only 3% of the total number of UWEZO beneficiaries as shown in Figure 5.

The youth beneficiaries were 29% while women beneficiaries were 68%.

Figure 5: UWEZO Fund Beneficiary Categories (Youth, Women and PWDs)



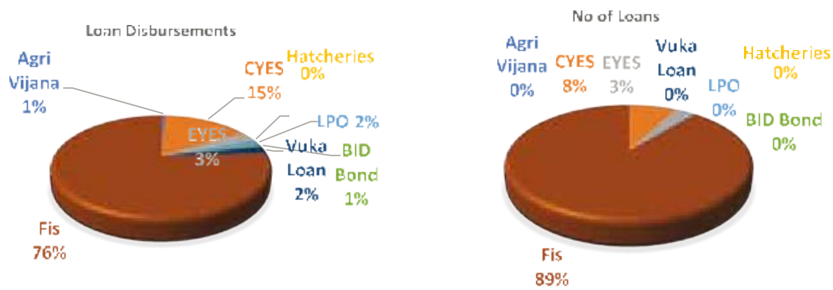
3.4 Youth Enterprise Development Fund (YEDF)

The Youth Enterprise Development Fund (YEDF) seeks to create employment opportunities for young people through entrepreneurship and encouraging the youth to be job creators rather than job seekers. The fund does this by providing easy and affordable financial and business development support services to youths who are planning to start or expand their businesses. The Fund was established through Legal Notice No. 167 of 2006. It was later transformed into a State Corporation under the Ministry of Public Service, Gender and Youth Affairs through Legal Notice No. 63 of 2007. The Fund is one of the flagship projects of the Vision 2030, under the social pillar. The mandate of YEDF includes providing loans to youth owned enterprises, providing market support to youth enterprises, facilitating youth enterprises to develop linkages with large enterprises, providing trading premises and worksites, providing business development services to youth-owned enterprises and facilitating youth to obtain jobs abroad. The Fund sought to be established in an Act Parliament to get more powers in pursuing loan defaulters which currently is a big challenge.

Over the years, the Youth Enterprise Development Fund has established structures down to the constituency level with qualified officers. For administrative purposes the Fund has established 12 regions as a strategy to ease coordination of activities. On loan application and processing, officers at the constituency office receive applications from borrowers, vet them and then forward the applications to the head office for determination and consequent disbursement. Officers at the constituency office also help in training, monitoring and evaluation youth owned businesses that has received funding from the fund.

The Fund has established different types of loan products to fit the needs of the youth who are in business. Through these loan products, the Fund disbursed funding as follows: the Agri-business loans advanced 238 loans making a total of about Ksh 88 million. The Constituency Youth Enterprise Scheme (CYES) disbursed 20,099 loans amounting to Ksh 1.8 billion and the Easy Youth Enterprise Scheme (EYES) disbursed 8,283 loans amounting to Ksh 324.7 million. Through funding of hatcheries, the fund disbursed 134 loans amounting to Ksh 28.6 million and LPO financing 378 loans making up to Ksh235.4 million. Further, the youth with BID Bonds were supported with 144 loans amounting to Ksh 77.7 million and Vuka Loan 561 loans amounting to Ksh 274.19 million (Figure 3). Further, the Fund partnered with various financial intermediaries such as commercial banks to support in disbursing funds to the youth in a more efficient way. From the data available, the Fund prefers to disburse most of its funds through financial intermediaries as it channelled 76 per cent of funds disbursed and processes 89 per cent of the loans recorded. This is explained by due diligence procedures undertaken by commercials banks in terms of loan appraisal and follows ups aimed at minimizing default rates. Through this channel, the Fund advanced a total of 231,109 loans (beneficiaries in form of groups and individuals) amounting to Ksh 9.06 billion.

Figure 6: YEDF Loan products



Source: YEDF (2018)

At the county level, Nairobi County was the most aggressive, receiving a total of Ksh 2.3 billion with 36,318 loans. Kiambu County come in second with Ksh 894 million from 14,370 loans and Nakuru County follows in at third place with Ksh 746.58 million from 16,673 loans. Meru County is fourth, managing to receive Ksh 690.6 million and Ksh 690 million with 19,230 loans. Nyandarua County follows with Ksh 491.6 million, Uasin Gishu with Ksh 452 million and Murang'a with Ksh 427.6 million. Others are Mombasa, Kisii and Kericho at position 8, 9 and 10, respectively. Most of the top 10 counties are in regions well versed with entrepreneurship as their common economic activity, and therefore tend to be more ggressive in seeking for funding. On the other extreme, Samburu County received the least amount of money disbursed through the Youth Fund, attracting only Ksh 11.5 million with about 275 loans. It was followed by Mandera with Ksh 17.98 million, Tana River with Ksh 2.56 million and Marsabit with Ksh 23.6 million as shown in Table 9.

Table 9: Top 10 and Bottom 10 counties in disbursements (YEDF)

Top 10 Counties			Bottom 10 Counties		
County	No of Loans	Amount Received (Ksh)	County	No. of Loans	Amount Received (Ksh)
Nairobi	36,318	2,322,066,730.51	Samburu	275	11,459,230.00
Kiambu	14,370	894,169,955.00	Mandera	254	17,977,500.00
Nakuru	16,673	746,579,755.00	Tana River	511	22,557,602.00
Meru	19,230	690,615,179.80	Marsabit	539	23,644,975.00
Nyandarua	9,131	491,610,567.00	Lamu	965	24,165,590.00
Uasin Gishu	6,232	452,092,532.00	Wajir	378	27,551,452.00
Murang'a	8,955	427,660,523.80	West Pokot	765	40,940,500.00
Mombasa	7,124	410,771,186.00	Isiolo	1,587	46,567,860.00
Kisii	6,982	362,238,879.40	Turkana	1,263	53,265,910.00
Kericho	10,480	330,068,350.00	Elgeyo Marakwet	888	54,340,097.60

Source: YEDF (2018)

3.5 Empirical Literature on Impact of Affirmative Action Funds

Olima (2016) investigated the influence of UWEZO funds on enhancing livelihoods among youth and women in Ainabkoi Constituency, Uasin Gishu County with the objective of assessing how UWEZO funds accessibility enhanced youth and women livelihoods in Ainabkoi constituency; the extent to which UWEZO Fund capacity building programs enhanced youth and women livelihoods in the same constituency; how the UWEZO fund institutional framework and policies influenced youth and women livelihoods and how UWEZO funds savings influenced and enhanced livelihoods among youth and women in the constituency. The study found that the UWEZO fund loan is accessible but insufficient amounts were disbursed to the recipients. Trainings on financial management, group management, business management and leadership skills had been offered to the respondents and enhanced their livelihoods. The study confirmed that the UWEZO funding policy and the government funding policies were major frameworks used by the groups to gain UWEZO funds and that all the respondents carried out savings as a major requirement to access UWEZO fund loans.

In a research carried out by Etter (2012) on socio-economic impact of WEF on the livelihoods of women in Kenya found that after starting the businesses, women's status was increased in the family and in the society. Women could enjoy freedom in their decision making and could also contribute in family decision making due to the fact that they could contribute in the family economically.

Kitheka (2015) sought to examine the influence of Youth Enterprise Development Fund on Rural development in Kikuyu Constituency, Kiambu County in Kenya. The objectives of the study addressed the issues of loan disbursement, capacity building, timeliness of disbursements, and project identification as influencers of youth empowerment. The author found that on loan disbursement the respondents were aware of the requirements needed before loan applications were made and expressed appreciation of the interest-free loans, but decried the loan amounts as inadequate. They also pointed out that although they received advance training before they started new businesses, they felt that more training was needed in order to enhance their skills in their businesses. They also felt that the duration it took to release the funds after application was too long, and it hampered their ability to plan for business capital. In terms of project identification, the study found there was need for greater involvement of the government in market linkage for beneficiaries' products and services. Further, the study found that apart from the youth have benefited economically from the various YEDF funded projects, there was a reduction in unemployment as well as development of Kikuyu Constituency. The study recommended reduction in the time it takes to process the loans, an increase in the loan amounts so that the youth have sufficient funds to set up and expand their businesses and flexibility in giving subsequent loans especially where the youth are carrying out a special project.

Amenya et al. (2011) in another study established that out of the total youth population of 202,897 only 40,063 had benefited from the YEDF over a 5 year period. The YEDF had comparatively very little impact on the youth.

Simiyu (2016) did a study on the factors influencing implementation of government affirmative action projects concentrating on UWEZO fund projects in Embakasi East Sub County in Kenya. The study found that stakeholder involvement, level of funding, management and capacity building had an influence in the implementation of government affirmative action projects of UWEZO beneficiaries. Communication, planning and organization also played a big role in management of projects. The author also found that majority of the project teams had undergone training which had an impact on their ventures. The study recommended that government affirmative action oversight boards build on the already established programs to achieve higher impact.

In a study carried out by Oduol, et.al. (2013), to determine the effect of the Youth Enterprise Development Fund on Youth Enterprises in Kenya, Siaya County, it was established that lack of adequate repayment structures and repayment avenues was a problem. The Youth Enterprise Development Fund officers had not provided adequate guidance on YEDF activities to the youth and there was lack of follow-up on loan beneficiaries. The study recommended that to improve on the viability of the youth enterprises, there was need for the Government to aggressively market the youth products, engage the youth in entrepreneurship training before and after obtaining the loans and to provide necessary market information to the youth so as to gain competitive advantage in their areas of operation. It also recommended an increase in the number of financial intermediaries in partnership with the fund and an active involvement of all the stakeholders in mobilization of the youth on group formation and registration and YEDF activities. This would enable them to benefit from more funding since the number of successful applicants remained at 50% of the total applicants, which concurred with the findings that accessing Youth Enterprise Development loan was still a challenge.

Generally, as Mutai (2013) puts it, citizens have expressed concerns about accountability, transparency and the utilization of government funds that were marred by mismanagement and debts, like the Youth Enterprise Development Fund and the Women Enterprise Fund that had been lending to their target groups for the past six years and had little to show for it. Local community awareness and involvement had been low, inadequate allocations; poor processes of identification and implementation of projects as well as weak monitoring and evaluation of projects have been experienced.

A study by The Institute for Social Accountability (TISA, 2018) observed that, the YEDF:

(a) Had been more useful in benefitting youth enterprises than individual youths

(b) In itself, YEDF is insufficient in addressing the challenges of youth unemployment and would therefore need to be coupled by other strategies and programs

(c) The YEDF loan application process was too long and cumbersome to the Youth

(d) Many young people in the informal sector were left out of the application and eligibility processes

(e) Success of YEDF would depend on the provision of training and mentorship support and advisory services throughout the recipients investment cycle i.e. from the application process through to utilization and implementation.

From the end-term evaluation of YEDF strategic plan (2013-2017) report, it was evident that the government had disbursed over 12 Billion to more than one million youth by 2017. Similarly, more than 30000 youth had already been trained on entrepreneurship and business management at no cost to them. On the realization of YEDF targets; 100% target on training (enterprise development) had been achieved, 50% loan recovery of CYES RAUSHA, 80% loan recovery of E-YES and 85% performance contracting. While YEDF had registered success as far as these targets were concerned, other important targets had not been met. These included the inability to review the fund's legal framework to strengthen provisions for loan repayment and recovery, disbursement targets were not met. Further, ICT investments and staffing requirements lagged behind those in the industry trends. This affected YEDF negatively and hindered it from achieving its objectives. Similarly, other unrealized outcomes included the lack of market linkages at constituency levels, failure to develop an enterprise resource planning (ERP) system, and many youth have still not been reached.

Mapesa and Kibua (2006) contend that affirmative action funds are faced with a number of challenges including lack of monitoring and evaluation, low levels of awareness, lack of community participation, and political interference among others. UWEZO Fund also faces some of the challenges especially low awareness among the target groups and also lack of community participation.

For WEF, YEDF and UWEZO funded projects to realize their objectives; the guidelines of the project cycle must be vigorously implemented. The cycle should however further incorporate participative process, social integration, capacity development and economic diversity (Kistern, 1998). Capacity building was developed following the enactment of the Public Finance Management (UWEZO Fund) Regulations 2014. This equips prospective groups who are fund beneficiaries with basic entrepreneurial and management skills to enhance success and sustainability of their businesses (UFOB Capacity Training Material, 2014).

4.0 RESEARCH FINDINGS

The overall goal of this study is to undertake a comprehensive impact assessment on the affirmative action funds namely: Women Enterprise Fund, Youth Enterprise Development Fund and UWEZO Fund in readiness for the merger to Biashara Kenya Fund. The findings are expected to assist the Biashara Kenya Fund Board in identification of critical areas of success for up scaling, areas of weaknesses, resource gaps, and inform future planning for Biashara Kenya Fund.

The specific objectives of the study are to:

(i) Conduct a socio economic impact assessment that would set the basis for measuring progress and impact of the target beneficiaries, their families and communities by looking at various indicators;

(ii) Evaluate the expected socio economic achievements from the utilization of the funds taking into account the funds objectives;

(iii) Evaluate the capacity of the Funds' beneficiaries to efficiently utilize the funds for their benefit;

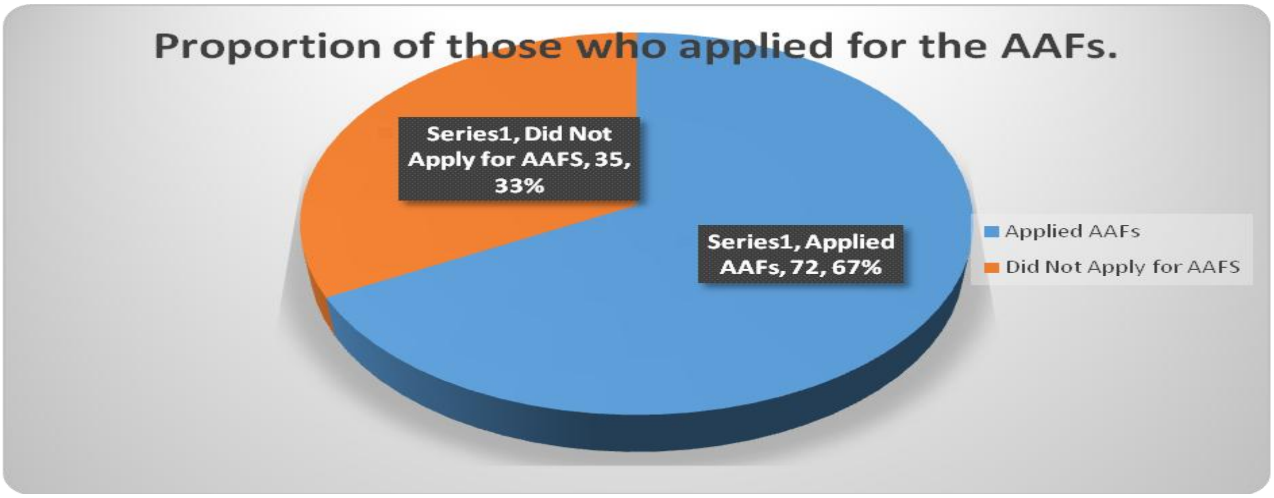
(iv) Evaluate the level of awareness among various stakeholders about the fund and conditions of accessing the funds;

(v) Recommend strategies for improvement.

4.1.1 Level of Awareness of Affirmative Action funds

The respondents were asked whether they had ever applied for AAF and out of the 107 face-to-face interviews, 72 people (67%) had applied for AAF funds while 35 (32%) had not applied for the funds as shown in Figure 7. From the number of respondents who had not applied for the funds, 22.9% were not aware of the fund's existence as highlighted in Table 10.

Figure 7: Proportion of those who applied for the AAFs

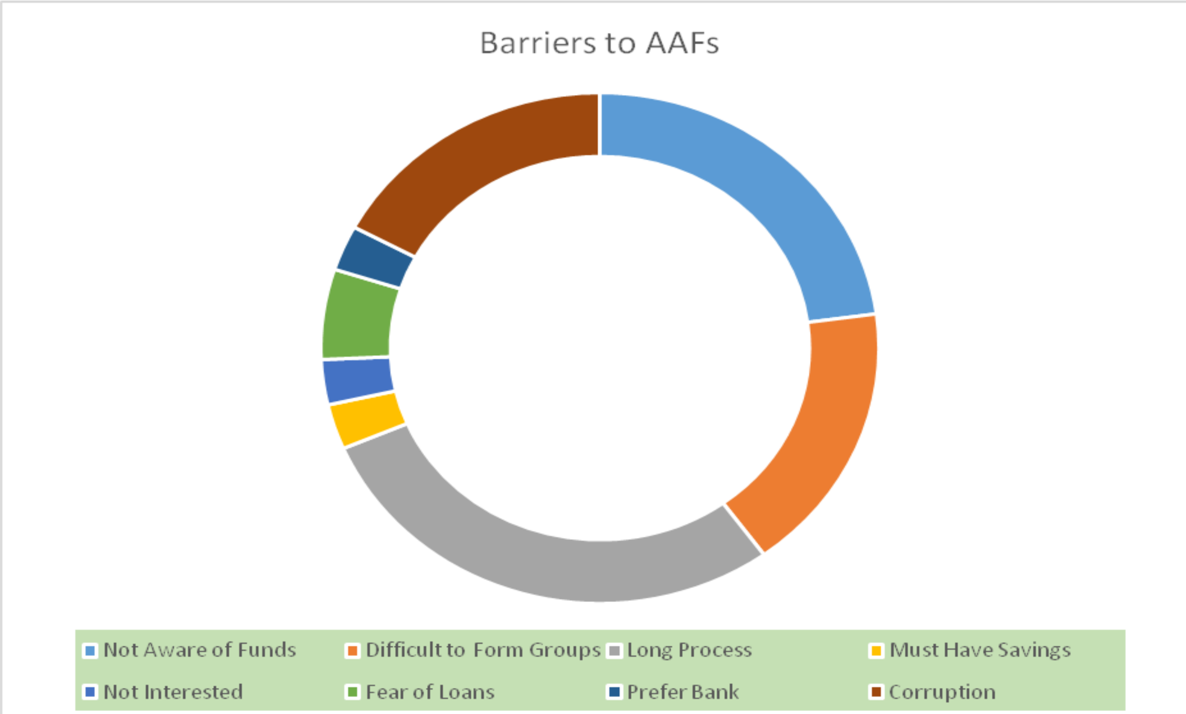


Various reasons were cited for not applying for the AAFs as shown in the table 10 and in Figure 8.

Table 10: Reasons for Not Applying for Affirmative Action Funds

Barriers to AAFs	**Non-Applicants**	**Proportion**
Not Aware of Funds	8	22.9
Difficult to Form Groups	6	17.1
Long Process	10	28.6
Must-Have Savings	1	2.9
Not Interested	1	2.9
Fear of Loans	2	5.7
Prefer Bank	1	2.9
Corruption	6	17
Total	**35**	**100**

Figure 8: Reasons for Not Applying for Affirmative Action Funds



From Figure 8, majority of the respondents (28.6%) said that the application process was too long and tedious since some funds like the YEDF requires the youth to have collateral such as logbooks in order to secure credit. The intended beneficiaries do not understand the application process and especially due to the existence of many vetting committees of the YEDF, WEF and UWEZO funds. They are also not aware of the duration their application is likely to take (WEF takes 1 month after submission of application and meeting the requirements). However, in our analysis, all respondents said that it took less than one year from the time they submitted their loan applications to the time they got the loan. Nevertheless, this lack of knowledge can lead to the intended beneficiaries resorting to bribery and corruption to win the favour of the fund officials. It is therefore important to review the application process to make it easy for the intended beneficiaries to apply for the funds.

On the other hand, 22.9% of the respondents said they were not aware of the funds implying that there hasn't been enough sensitization on the existence and benefits of the fund. There is lack of information especially among rural communities on the existence of the funds and also the requirements to apply for the funds. From the study done by the Institute of Social Accountability in 2017, they found that only 48%, 49% and 41% of the respondents were made aware of YEDF, WEF and UWEZO respectively through publicity by the respective officials of the funds. This also means that these respondents are also not aware that the funds can be used to finance their LPO/LSOs in Access to Government Procurement Opportunities and they therefore miss out on these opportunities.

From the field study, the consultants observed that the staffing levels at the county levels are very low and the officials are not well resourced. For example, they do not have vehicles or motor cycles to traverse the counties to publicize the funds. They also complained that their salary levels are quite low and they had no prospects of promotion. One of them even left us in the field to attend an interview for a job that had better prospects.

Also, 17.1% of the respondents mentioned that it is difficult to form groups since majority of the funds insist that the funds can only be disbursed to groups. It means therefore that the requirement to have a certain number of members in a group could be negatively impacting on the borrowing rate of the funds. This stringent requirement can be made flexible by reducing the number of people per group, for example, instead of 10, make it 5 which can also increase the amount of loan received by individuals especially when the beneficiaries split the loans amongst themselves.

Others (17%) said that there is a lot of corruption in the management of the fund and they did not see any need in applying for the funds since they did not know any official in the AAFs. Among those who cited corruption as the reason for not applying for the AAFs, 13% were from the YEDF, 15% from WEF and 14% from UWEZO fund. They said that some groups are formed overnight and they get the funds almost immediately while the already existing groups have to wait and sometimes never receive the funds. As such they saw no need of applying for the funds. In one of the FGDs in Kirinyaga County, one of the participants said:

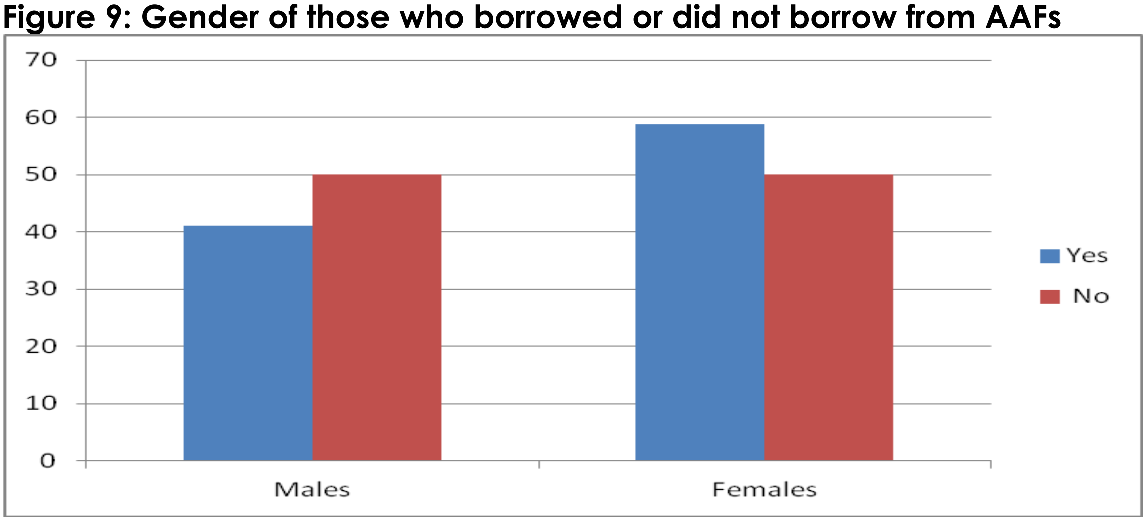
County council of Kirinyaga officers have become a menace by asking for bribes to allow the beneficiaries to go about their business. The county authorities should crack down on then to discourage such behaviors.

There were also those who said that they prefer other banks. This could be due to the fact that the funds give predetermined credit and more so to groups while in reality, intended beneficiaries could prefer creditors who will offer individual loans and not to groups.

Taken together, lack of awareness, long application process and corruption contribute 65.5% to the reasons why some respondents had not applied for the funds and it is imperative that measures be taken to address them so that they are not carried over to the new Biashara Fund.

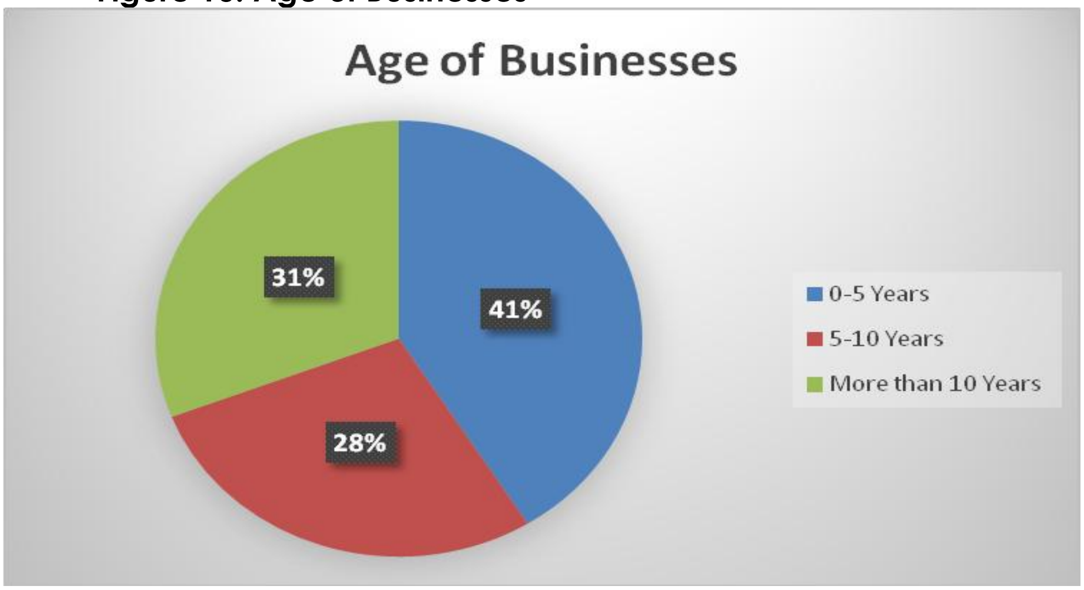
Majority of those who borrowed funds from the AAFs were females (58.9%) compared to 41.1% males implying that males associate these funds more for women than for men. There was an equal proportion of males and females who did not apply for the funds as shown in Figure 9.

Figure 9: Gender of those who borrowed or did not borrow from AAFs



Majority of the businesses for which the loans were being borrowed for were relatively young mainly between 0-5 years of age as shown in Figure 10.

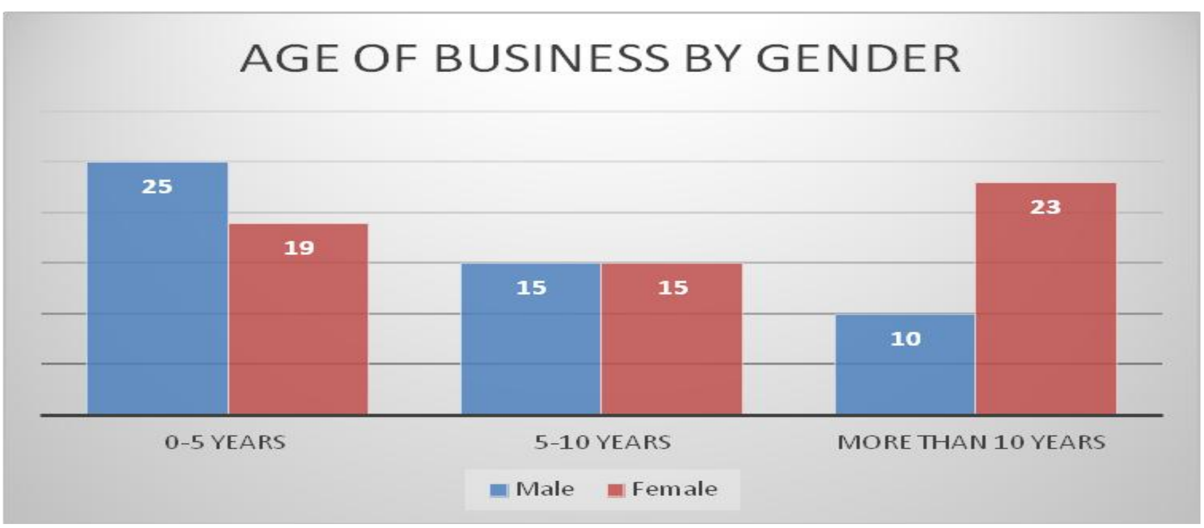
Figure 10: Age of Businesses



As Figure 10 shows, 41% of the businesses were between 0-5 years, while 31% of the businesses were more than 10 year and 28% had between 5 and 10 years of existence.

The relatively younger businesses belonged to men while females had the older businesses as shown in Figure 11.

Figure 11: Age of Business by Gender



4.1.2 Amounts of Loans Disbursed

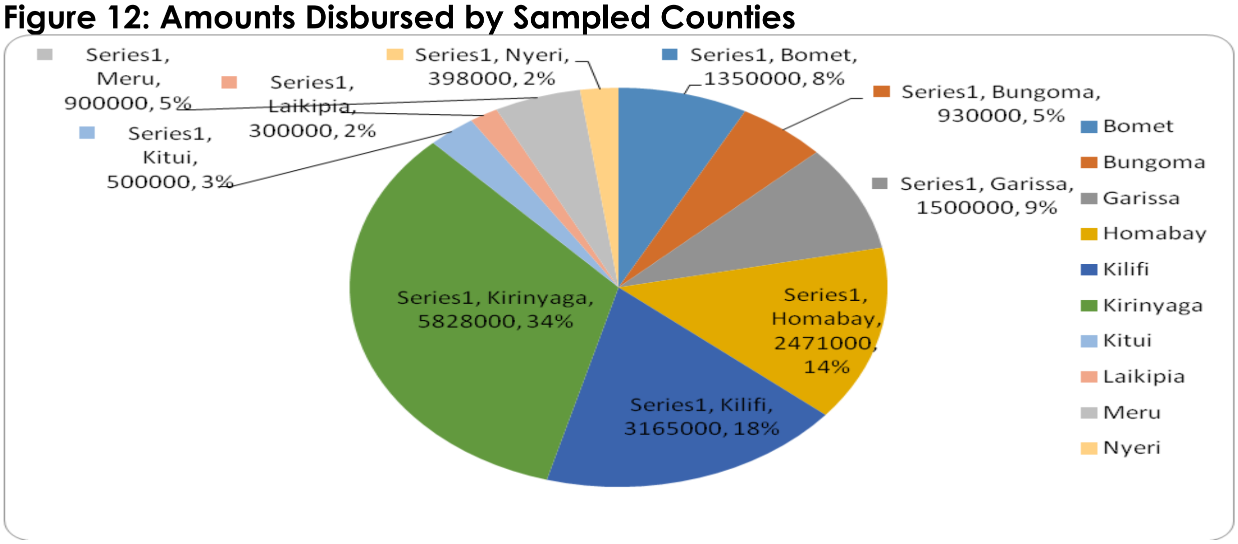
Most of the AAFs applied for were disbursed to groups of either women, men or a mixture of both. From the face to face interviews, the respondents were asked how much each of their respective groups received. The totals per county were added and then divided by the number of groups (each assumed to represent a beneficiary group and the figures are as shown in the table 11:

Table 11: Average amounts Disbursed by Sampled Counties

County	Amount Disbursed in Ksh.	Proportion
Bomet	1,350000	7.784569
Bungoma	930000	5.362703
Garissa	1,500000	8.649521
Homabay	2,471000	14.24864
Kilifi	3,165000	18.25049
Kirinyaga	5,828000	33.60627
Kitui	500000	2.883174
Laikipia	300000	1.729904
Meru	900000	5.189713
Nyeri	398000	2.295006
Total	**17,342000**	**100**
Average	**2,550,298**	

The data in table 11 is also shown in Figure 12.

Figure 12: Amounts Disbursed by Sampled Counties



The data shows that Kirinyaga topped the charts in disbursing the largest amount at 34% followed by Kilifi at 18% and Homabay 14%. The total amount of funds disbursed to the 10 counties in the sample was Ksh.17,342,000 which amounts to an average of Ksh.2,550,298 per county. If this amount is divided by 107 (the number of respondents), it would amount to a partly Ksh.23,835 per respondent which is too little to make any meaningful expansion and growth of the business enterprises and most likely condemns the enterprises operated by such respondents to remaining small.

4.1.3 Types of Affirmative Action Funds Applied For

Across the 10 counties, the type of AAF applied for by different groups is shown in Table 12 and in Figure 13.

Table 12: Types of Affirmative Action Funds Applied For by the Groups

AAF Fund Applied	Those who Applied for AAFs	Proportion
WEF	17	23.6
YEDF	17	23.6
UWEZO	16	22.2
YEDF & UWEZO	5	6.9
WEF & UWEZO	14	19.4
YEDF & WEF	1	1.4
WEF &YEDF	1	1.4
Others	1	1.4
Total	**72**	**100**

Figure 13: Types of Affirmative Action Funds Applied For by the Groups

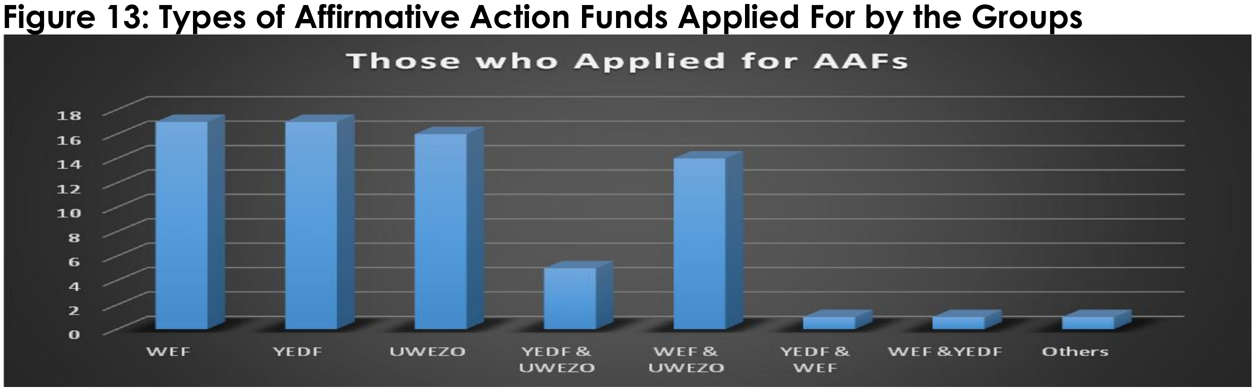


Table 12 and Figure 13 show that the most popular funds were WEF and YEDF at 23.6% each. UWEZO fund follows at 22%. Respondents also said that they had borrowed a combination of the different affirmative funds. This borrowing from the different affirmative action funds can pose a problem of repayment since the funds do not seem to "talk to one another" such that a group can borrow from one fund and not repay and still manage to borrow from another fund. There is therefore a need to have a system of sharing of information on the beneficiaries in order to reduce the level of bad debts and to increase the loan repayment rates. This could take the model of reference to the Credit Reference Bureau to get information on the credit rating of intended beneficiaries.

4.1.4 Use of Affirmative Action Funds

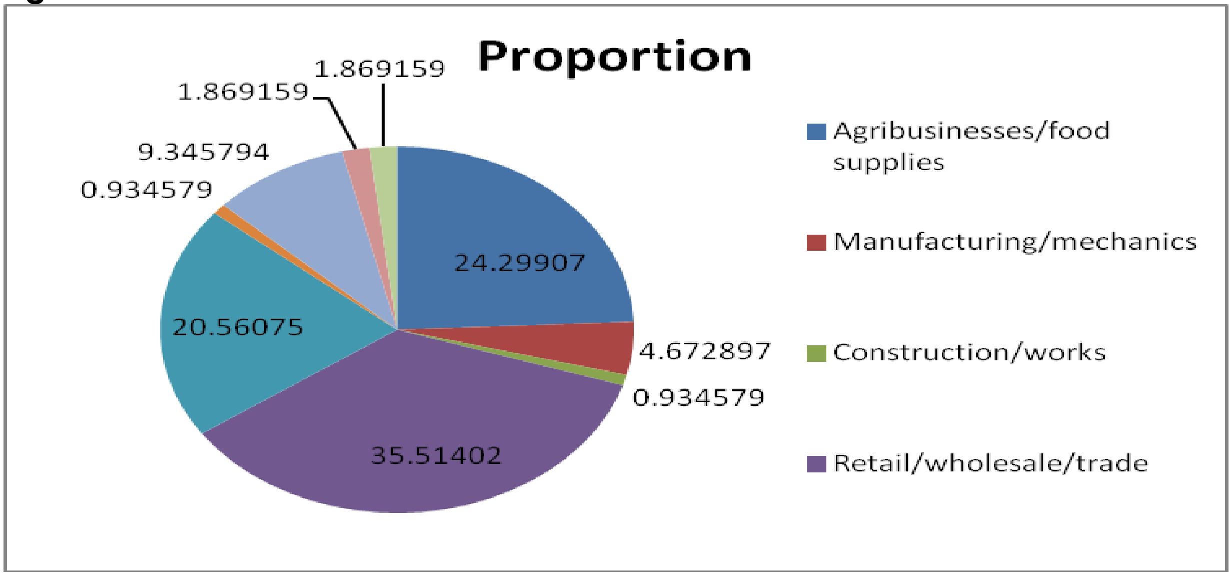
The main uses of the amounts borrowed from the AAFs are in Agribusiness/Food Supplies/growing of crops and rearing of livestock for sale; Retail/Wholesale trade in selling second-hand clothing, buying and selling of eggs, running businesses, such as cosmetics and hairdressing, groceries, restaurants, bodabodas, tuk tuks, outside catering, and events organization. The most common use of AAFs was in retail/wholesale trade at 35.5% followed by Agribusiness, at 24.6%, hospitality/catering/events organization/performing arts at 20.6%, professional/consultancy/research services (9.4%) and manufacturing/mechanics (4.7%) as shown in Table 13 and Figure 14.

Table 13: Use of Affirmative Action Funds

Responses	**Total**	**%**
Agribusinesses/food supplies	26	24.3
Manufacturing/mechanics	5	4.7
Construction/works	1	0.9
Retail/wholesale/trade	38	35.5
Hospitality/catering/event organization/performing arts	22	20.6
ICT services	1	0.9
Professional/consultancy/research services	10	9.4
Security/cleaning services	2	1.9
Others	2	1.9
	107	**100**

Construction works and ICT services were the least common probably since involve certain types of qualifications which the beneficiaries might find difficult to get.

Figure 14: Use of Affirmative Action Funds



The type of business also differed by gender as seen in Table 14 with more females than males in agribusiness at 16.8% and 7.5% respectively. There were also more males than females in retail/wholesale trade at 20.6% and 15% respectively. More females also dominated the hospitality trade at 14.1% compared to 6.5% males. There were no females in construction works and ICT services which could be attributed to female socialization that such jobs are meant for males.

Table 14: Type of Business by Gender

TYPE OF BUSINESS	GENDER			
	Male	*%*	*Female*	*%*
Agribusinesses/food supplies	8	7.5	18	16.8
Manufacturing/mechanics	2	1.9	3	2.8
Construction/works	1	0.9	0	0
Retail/wholesale/trade	22	20.6	16	15
Hospitality/catering/event organization/performing arts	7	6.5	15	14.1
ICT services	1	0.9	0	0
Professional/consultancy/research services	7	6.5	3	2.8
Security/cleaning services	0	0	2	1.9
Others	1	0.9	1	0.9
Total	***49***	***45.7***	***58***	***54.3***

There were also no males in cleaning services which could also be attributed to male socialization that cleaning services are meant for females unless the men take supervisory roles.

The types of businesses the AAFs were used on also differed by age with older beneficiaries concentrating on agribusiness (45.4 years) as shown in Table 15.

Table 15: Type of Business by Age of Recipients

Responses	Average Age of Respondents
Agribusinesses/food supplies	45.4
Manufacturing/mechanics	38.6
Construction/works	27.0
Retail/wholesale/trade	37.8
Hospitality/catering/event organization/performing arts	39.4
ICT services	35.0
Professional/consultancy/research services	39.7
Security/cleaning services	43.5
Others	21

The security and cleaning businesses also attracted older people with the average age being 43.5 years. Construction/mechanics types of business attracted relatively young people at 27 years.

4.1.5 Loan Repayment Rate

The type of business for which the AAF is used could also impact on the loan repayment rate. For example, agribusiness which includes farming, livestock keeping and sale of agricultural produce can be impacted on by the weather which the beneficiaries of AAFs have no control of. Cost of inputs such as fertilizers, seeds and so on including fluctuation of prices could lead to low profits leading to non repayment or delayed repayment of borrowed AAFs. For example, from databases and document review, it was found that the average repayment rate of the WEF loans as at 25th January 2019 was 97% for the whole country.

The sampled counties secondary data from the databases shows that the total amount of WEF funds disbursed as at 25th January 2019 was Ksh. 3,592,174,180, while the amount repaid at that time was Ksh.2,789,317,144 which was lower than the national average at 75.8% as shown in Table 16.

Table 16: WEF Loans Disbursed and Repayment Rate in Sampled Counties

County	No. of Groups	No. of Members	Disbursed Loan Amount	Total Paid	Loan Balance	Rep Rate %	Rank
Bomet	1,769	26,010	201,560,000	137,720,836	63,839,164	68.3	9
Bungoma	2,722	41,456	364,763,000	290,279,942	74,483,058	79.6	4
Garissa	672	9,935	75,100,000	43,127,587	31,972,413	57.4	10
Homabay	2,908	46,599	399,633,200	322,111,658	77,521,542	80.6	3
Kilifi	2,552	37,168	315,638,980	244,720,589	70,918,391	77.5	6
Kirinyaga	2,193	34,549	342,739,000	282,542,114	60,196,886	82.4	2
Kitui	3,048	46,909	339,288,000	250,679,934	88,608,066	73.9	8
Laikipia	998	15,294	138,900,000	116,078,934	22,821,066	83.6	1
Meru	3,488	54,270	490,552,000	366,933,187	123,618,813	74.8	7
Nyeri	5,032	73,984	924,000,000	735,122,363	188,877,637	79.6	5
			3,592,174,180	**2,789,317,144**	**802,857,036**	**75.8**	

Source: https://www.wef.co.ke/ and authors' calculations

From Table 16, it is clear that Nyeri had the highest number of groups (5,032) and members (73,984) and also had the highest amount of WEF funds disbursed at Ksh.924 million and a repayment rate of 79.5%. Garissa, which had not received any training on AGPO had the smallest number of groups (672) and members (9,935), WEF funds (Ksh. 75,100,000) and also had the lowest repayment rate at 57.4% and occupied position 10 in the ranking. Meru County had the second largest number of groups (3,488) and members (54,270) and also received the second largest amount of WEF funds of Ksh. 490,552,000 but the repayment rate of this county was lower than average (74.8%) and was number 7 in the ranking of sampled counties according to the repayment rate. This shows that lack of AGPO training had impacted negatively on these two counties.

In addition to meeting the selection criteria in the sampling of counties, Kirinyaga, Bomet and Kitui had been sampled due to their having female governors. Kirinyaga coincidentally, just like in the field work had the second highest repayment rate at 82.4% compared to Bomet which was number 9 in the ranking with a repayment rate of 68.3%. Kitui ranked number 8 or 3rd last in the repayment rate at 73.8% implying that the gender of the governor does not have any bearing in the way the beneficiaries will run their business and how they repay their loans. The best county in terms of repayment rate was laikipia at 83.6%.

As for UWEZO fund, the repayment rate of 32.4% is even lower than WEF as shown in Table 17.

Table 17: UWEZO Loans Disbursed and Repayment Rate in Sampled Counties

County	Amount Disbursed (KShs)	Repaid Amounts (Kshs)	Total Individuals Beneficiaries	Repayment Rate	Rank
KILIFI	159,575,000	27,833,081	20,086	17.44201	9
GARISSA	110,260,000	6,536,192	12,096	5.927981	10
MERU	177,307,000	71,941,512	39,665	40.57455	3
KITUI	180,488,000	73,111,861	40,173	40.50788	4
NYERI	121,910,000	56,832,448	15,924	46.61836	2
KIRINYAGA	86,643,000	46,201,057	14,306	53.32347	1
LAIKIPIA	63,402,582	25,011,434	12,517	39.4486	5
BOMET	108,045,650	30,019,449	23,296	27.78404	7
BUNGOMA	199,103,325	62,538,107	28,964	31.40988	6
HOMA BAY	155,396,500	33,076,952	29,131	21.28552	8
	1,362,131,057	**433,102,093**	**236,158**	**32.43223**	

Source: http://www.uwezo.go.ke/ and authors' calculations

From Table 17, the amount of UWEZO funds disbursed to the 10 sampled counties' 236,158 beneficiaries amounted to Ksh.1,362,131,057, while the amount repaid was only Ksh.433,102,093 implying that 67.6% of the funds remained unpaid.

Kirinyaga County had the highest repayment rate at 53.3% followed by Nyeri at 46.6%. Kitui and Bomet were number 4 and 7 respectively. Garissa, just like in the WEF occupied position 10 with a repayment rate of only 5.9% followed by Kilifi at 17.4%.

As for the Youth Enterprise Fund, the loan recovery rate was only 65% implying that 35% of the YEDFs disbursed remained unpaid.

From the analysis on repayment rates, it is clear that the repayment rates of these funds are quite low defeating the whole essence of the funds revolving without resorting to refinancing by the government. Oduol, et. al. (2013), found that lack of adequate repayment structures and repayment avenues was a huge problem in the YEDF. The Youth Enterprise Development Fund officers had not provided adequate guidance on YEDF activities to the youth implying that the failure of businesses could be a major contributor to the low repayment rates of the YEDF and probably also to the WEF and UWEZO funds. It could also be that there was lack of follow-up on loan beneficiaries, that no feasibility studies had been conducted on the businesses/projects started by the beneficiaries of the funds. Hostile weather such as heavy rains or drought could also negatively impact the repayment rates especially for agro-businesses. For example, groups rearing livestock usually suffer loss of the reared animals and poultry through death while those growing vegetables and other food crops also suffer economic hardships when there is over production of their products leading to low demand for their products and low prices resulting to low profits and hence inability to repay the loans.

It could also be that the beneficiaries divert the loans received to uses other than the ones they were intended for and especially for consumption and since this does not generate any profits, it leads to non-repayment of the loans.

Other probable contributing factors to the low repayment rates include political interference and resultant apathy, insecurity, poor banking and roads infrastructure, vast distances which could complicate access to services and information.

Inability to review the fund's legal frameworks to strengthen provisions for loan repayment and recovery, manual processing of loans and low ICT investments and low staffing could also contribute to low repayment rates.

Essentially, lack of appropriate and effective legal structures to support and enhance loan recovery across the various affirmative action funds could have contributed to a high rate of non-payment and non-serviceable loans.

4.2 Socioeconomic Impact of Affirmative Action Funds[1]

As mentioned earlier, the main uses of the amounts borrowed from the AAFs are: Agribusinesses, food supplies, Retail and wholesale/trade, Hospitality catering, event organization and performing arts, Information, Communication and Technology services, Professional, consultancy and research services, Security and cleaning services, Manufacturing and mechanics and finally Construction works. These were in the form of growing of crops in green houses and rearing of livestock for sale; Selling new and second hand clothing, buying and selling eggs, running businesses such as cosmetics and hairdressing, groceries, restaurants, bodabodas, tuk tuks, outside catering, and events organization. (**See success stories in the appendix**).

4.2.1 Training and Capacity Building

One of the mandates of the AAFs is training and capacity building to the beneficiaries of the funds. The participants were asked whether they had received any training before the funds were disbursed to them and all the participants who had received the funds said that they had received the training in terms of capacity building on entrepreneurship.

All respondents (100%) that had used any of the AAFs cited the following as key takeaways from the training:

(i) Better business managers as they were able to plan their finances accordingly
(ii) They had learned book-keeping as well as record keeping
(iii) They had been taught how to use the loans effectively by investing in ventures that would produce cash in return.

[11] There was no baseline study on the impact of the Affirmative Action Funds and therefore the socioeconomic impacts mentioned in this study are based on the perceptions of the respondents from FGDs, face to face interviews and from Key Informants.

(iv) The training eliminated the fear of using loans from those who feared loans

(v) Training offered them alternative business opportunities dubbed "Side-Hustles"

(vi) The training also acted as a hub for advice and guidance especially for the youth.

(vii) Better marketing strategies/techniques and profit maximization

However, no training needs assessment had been done and such training assumes that all the enterprises and trainees are homogeneous.

4.2.2 Social and Economic Impacts

According to the Key informants, the funds have managed to win the confidence of the beneficiaries to borrow funds from government; made it easy for beneficiaries to access the money at county level especially where there are no banking facilities; no discrimination in accessing the funds as long as the business is viable; financial literacy through business development training; enhancement of saving culture through table banking; groups ensure that they make decisions on their own hence making them feel empowered, improved food security and poverty reduction.

The key informants also argue that there is a marked improvement in the standards of living since the beneficiaries have businesses that generate income and are able to take their children to school. Gender Based Violence has also reduced since men are also invited and allowed to embrace the program; women have also managed to diversify their businesses and there has been improved access to market both locally and globally since some funds such as WEF usually helps them in getting Kenya Bureau of Standards (KEBS) certification and exchange programs have contributed a lot in making it easy to access markets.

The key informants also argue that the funds have given identity to the Women, Youth and PWDS; contributed to job creation in the SME sector and at the Headquarters and branches of the funds; led to self reliance through access to opportunities; led to a decline in crime, idleness, radicalization, drug abuse since the beneficiaries are occupied and contributed to economic growth in the counties.

The participants in the face to face and FGD said that the AAFs had led to their feeling of empowerment in terms of improved food security, employment, business growth and development, participating in decision making, increased savings, increased networks, acquired business skills business expansion and so on.

Empowerment

One of the objectives of the AAFs is to empower the beneficiaries both socially and economically. From the female FGDs, 100% of the women said that they are now sharing family responsibilities with their husbands. They can now access clean drinking water from the water tanks that they had purchased after building permanent houses which they could use to harvest water from the mabati roofs. The beneficiaries had also managed to equip their houses with decent furniture. They said that they can also afford to meet the cost of medication for themselves as well as for their children and some of them were paying for the National Health Insurance Fund (NHIF) in order to have access to good health care. They are also able to pay for the education of their children even up to University level and some of them even boasted of taking their children to academies hence giving quality education to their children. The women said that they felt that they were respected and highly valued not only by their husbands but also by other members of the community.

The disabled felt that after managing to get loans from the AAFs, they had now learnt to be self reliant and they could now manage to take care of their family needs.

Persons with disabilities (PWDs) had also benefited from the funds although they were few. Some of the possible reasons why few PWDs are benefitting from AAFs could be lack of awareness and especially since their movements are limited and the fact that the AAFs officials are not well resourced to publicize the funds. Nevertheless, one member of the group was quoted saying the following:

> ***"I know one person who is disabled and a wheelchair. He sells airtime and he uses the affirmative funds, He is doing very well"***
> ***Thingithu Achievers Self Help Group, Member, Laikipia County***

Decision Making

Women are now able to start their own small businesses and run them independently without having to over-rely on their spouses. Their decision making power has improved, since they are now more independent and can contribute for the family economically.

Business Skills

The pre-disbursements training honed business skills for the beneficiaries; this made them better at managing their businesses and finances. Many groups are now able to secure tenders since the funds give 30% slots. Many counties had funded many Local Purchase Orders (LPOs) for the groups and this has further enhanced doing-business skills for the groups.

Entrepreneurship and Source of Capital

All the respondents (100%) said that the AAFs had facilitated them to invest in ventures of their choice that would not have seen the light of day without the AAFs. In the words, the AAFs are sources of capital for these businesses.

Enterprise Growth

One of the positive impacts of the AAFs was in enterprise growth as attested by 96% of the respondents and only 4% said that there was no impact. However, this growth in enterprises was most prominent in Kirinyaga County where 18.8% of the respondents said that there had been expansion in their businesses as shown in Table 18.

Table 18: Impact of Affirmative Action Funds on Business by County

Response	**COUNTY FREQUENCIES**										
	Kitui	***Nyeri***	***Kirinyaga***	***Meru***	***Laikipia***	***Kilifi***	***Bomet***	***HomaBay***	***Bungoma***	***Garissa***	***Totals***
Yes	6.3	3.1	18.75	6.3	3.1	15.63	14.1	14.1	4.7	14.1	100
No	33.3	0			33.3	33.3					100

Kirinyaga was followed by Kilifi at 15.6% and Bungoma and Garissa at 14.1% each.

Forms of Business Expansion

The participants were asked in what form their businesses had expanded. It is important to note that this question had multiple answers. Approximately 26.1% said that the expansion was in the form of increase in profit margins while 22.2% said that it was in the form of increase in the number of employees implying that AAFs had contributed to a reduction in unemployment in the 10 counties. The AAFs have provided jobs for all the beneficiaries. This has given many beneficiaries comfort and security in the livelihoods as they have something to do. Youth have benefited economically from the various YEDF funded projects hence there has been a reduction in unemployment as well as growth in development of the counties.

Other respondents said that the expansion was in the form of more customers (16.3%), new marketing routes (12.8%) while 11.8% said that the expansion was in the form of increase in the amount of stock as shown in Table 19.

Table 19: Forms of Business Expansion

Responses	Number of Respondents	Percentage (%)
Profit Margin	53	26.1
More customers	33	16.3
New Marketing routes	26	12.8
Employees	45	22.2
Amount of stock	24	11.8
Acquisition of new partners	13	6.4
New Business	9	4.4
Total Responses	**203**	100

Savings

The participants were asked whether they had managed to increase their savings through table banking from the profits made after being given credit from the affirmative action funds. Majority of the participants (80.3%) said that their savings had increased as shown in Table 20.

Table 20: Impact of AAFs on Savings

Responses	Number of Respondents	Percentages
Yes	57	80.28
No	14	19.72
Total	71	100.00

From Table 20, it is clear that AAFs have contributed to increased savings since only 19.7% said that their savings had not increased. This may be attributed to probable diversion of borrowed funds to other activities such as in consumption other than in business.

Food Security and Improved Standards of Living

Through farming and engaging in business activities, the beneficiaries are now able to afford food for their families. The participants said that there was also an improvement in the diet as many beneficiaries have money to go for varieties and hence improved the balancing of diets. With many and diverse income generating activities, the respondents said that they had seen improvement in their food supply, decent housing, and more acceptance into their respective communities, better jobs, and even increased chances of getting credit from other lenders. Majority of the beneficiaries felt that they are now more confident in whatever they do.

Networking Opportunities

The AAFs funds have provided an avenue for networking for the beneficiaries especially through training, sharing knowledge with other groups and even sending the youth to the Diaspora for employment opportunities.

Education and Health

All the participants said that for those respondents who had children in schools, they are now able to pay school fees for them. They are also able to access health services and they were now contributing to the National Hospital Insurance Fund (NHIF).

Asset Acquisition

The respondents said that they *are now able* to buy assets on their own. Many now have managed to buy livestock, household utensils, water pumps, irrigation pipes, motorcycles (*Bodabodas),* start auto spares *shops, ac*quire mortgages, *tuk tuks*, run MPESA shops *or bank a*gencies etc. For example, a group in Matanya in Laikipia County came together and bought plots each at Ksh. 70,000, subdivided it amongst themselves and they have all build temporary and sometimes permanent houses. Women have now managed to buy water tanks to harvest water hence reducing the amount of time they take in fetching water from rivers.

Improved Social Welfare

By working as groups, the respondents said that this increased accountability as all members are accountable to one another. This helps improve the repayments of loans and many groups found themselves not defaulting. Additionally, many groups started "*Merry-Go-Rounds or Ngumbatos*" to raise welfare funds to cushion groups through hard times and covering members when they cannot raise the re-payment premiums.

Reduced Gender Based Violence (GBV)

The participants said that GBV has reduced since the formerly unemployed men have money in their pockets and they no longer need to ask their wives for money which used to lead to GBV in the past. However, with no baseline and considering that this information came from FGDs, this indicator of reduced GBV should be treated with caution since most times, women empowerment where women no longer rely on their husbands for up keep, and make their own decisions without consulting their husbands sometimes results to men feeling threatened and this ends up in gender based violence.

Reduced Social Evils

The respondents said that the youth are now engaged in economic activities and are no longer idle. In some counties like Laikipia and Kilifi the FGD in these 2 counties said that this has reduced crime. This is because the youth are no longer idle to plan and engage in crimes; instead, they are now farming and using *bodabodas* to earn a living. This was considered a big plus for the AAFs.

Reduced Poverty Levels

The participants said that before the AAFs were introduced, they used to consider themselves poor. They said that as a result of proper usage of the AAFs, this had led to increased income hence reducing the poverty levels. However, just like in the case of GBV, this indicator should be treated as the respondents' own perception since there was no data to compare the poverty levels before and after AAFs.

Enabling Environment for Business

On the question on whether the affirmative action funds have contributed to creating an enabling environment for women/youth and PWDs, to participate in business in Kenya, 100% of the participants answered in the affirmative.

Administration of AAFs

On the question on how the AAFs are administered, 80% of the participants said that they were satisfied with the way the affirmative action funds were being administered a shown in Table 21.

Table 21: Level of Satisfaction with Administration of AAFs

Responses	Number of Responses	Percentages
Yes	68	80.0
No	17	20.0
Total	**85**	**100.0**

4.3 Challenges facing Affirmative Action Funds

For the 20% of the respondents who said that they were not satisfied with the way the AAFs are administered, and information gathered from reviewed documents, databases, Key Informants and FGDs, it is apparent that there are certain challenges that need to be addressed.

From the reviewed literature, databases and official documents, the following can be identified as the major challenges facing the affirmative funds: WEF, YEDF, and UWEZO.

1) The 3 Affirmative Action Funds all target the same group: women, youth and PWDs essentially a form of duplication of objectives.
2) There is inadequate staffing at the Board Secretariat in all the 3 funds and field offices further impacting on the Fund's efficacy in service delivery.
3) There are large numbers of applicants' vis-à-vis funds available for loaning implying that the demand for funding is overwhelming and the financial resources stretched. This is creating frustration amongst potential beneficiaries and contributing to a lack of funding for core programs and activities.
4) Low repayment/Absorption of the funds in some constituencies stagnate the Fund's efforts to improve the socio-economic status of vulnerable

groups living in abject poverty. Contributing factors include political interference and resultant apathy, insecurity, poor banking and roads infrastructure, vast distances which complicate access to services and information.

5) Manual loan processing systems and operations of the Funds take longer than they should including loan processing times. There is critical need for automation of the processes.
6) The funds view beneficiaries and targets as a homogenous group. Young people and women are not the same everywhere. For example, not all beneficiaries of WEF are poor and vulnerable as long as they are women. Hence, contextual dynamics that differentiate these groups should be taken into account.
7) There's lack of appropriate and effective legal structures to support and enhance loan recovery across the various affirmative action funds and this has contributed to a high percentage on non-payment and non-serviceable loans.

Some of the challenges facing the funds are peculiar to the fund itself or common to all the funds. According to UWEZO Key Informants at the Headquarters, UWEZO faces certain challenges. For example:

(i) The structure of UWEZO is such that politicians are able to interfere with it leading to default
(ii) National Government Affirmative Action Fund (NGAAF) which is a grant and run by politicians is confused with AAFs
(iii) Staffing at the constituency level is a huge problem
(iv) The staff is seconded from other departments hence lack commitment
(v) The Board members are appointed at the same time and so when their terms expires, there is lack of continuity which affects the functioning of the Fund

(vi) The legal framework has so many gaps that affect the operations of the Fund

(vii) Expectations of the beneficiaries are too much and difficult for the Fund to meet all of them

(viii) The UWEZO website is easily hacked by fraudsters and fake websites mimicking the UWEZO website are mistaken for the real one

The WEF Key Informants at the headquarters said the challenges facing WEF are:

(i) Limited financial resources from the National Treasury (NT)

(ii) Inadequate staffing in field offices and an imbalance in the workload the staff handle. For example, the WEF officer in Mathira in Nyeri County has a loan portfolio of over Ksh.600 million while another one in another county has a loan portfolio of Ksh.3 million.

(iii) The vastness of the areas to be covered and rough terrain without proper means of transport make it very hard to monitor the beneficiaries.

(iv) Literacy levels are very low in some counties posing a language problem.

(v) Challenges due to cultural and religious beliefs, eg. Muslims believe that WEF funds are not sharia compliant so they would not want to borrow since they think the administration fee is a form of interest.

(vi) Default due to weather, drought, floods, violence etc that impact negatively on the businesses.

(vii) Political interference where politicians tell the beneficiaries that all government loans are grants and so should not be repaid.

(viii) Lack of autonomy in decision making leading to delays in approval and disbursement of loans.

(ix) Staff turnover is very high since they are under 2-3 years contract

(x) Lack of permanent offices at the county level

(xi) Poor operational logistics at the county level where the officers computers are always breaking down because of being carried around on motorbikes and when the officers get better jobs, they disappear with the comouters.

On the other hand, the key informants at the YEDF headquarters said that the YEDF key challenges are:

(i) Governance (corruption) issues where people in management harvest where they have not sown

(ii) Politics in managing the Fund which affects the repayment of the loans

(iii) Funds from the exchequer are insufficient

(iv) Displacement of the youth because of violence especially post election or political violence as happened in 2007. This led to a high rate of default

(v) Disasters such as flood, fires such as happens often in Gikomba market, disease outbreaks, drought and so on lead to loses on the side of the beneficiaries leading to high default rates

(vi) Perception that AAFs loans are grants and are not supposed to be repaid

The KIIs in the counties cited the following challenges:

(i) Defaulting on loans-many groups, especially those composed of unmarried persons have very high default rates because once they get married; they get out of the groups. Many young people are using the AAFs as a transition to get jobs and once they get the jobs they disappear. Also many groups have issues with managing the credit. They use the loans for other purposes and hence are not able to repay the loans back.

(ii) Disbursements take long-the AAFs take over 45 days for funds to be disbursed to the groups. This discourages many borrowers resulting in many just withdrawing their applications or from groups to look for alternative sources of capital; or altogether give up on their business dreams. These delays are known to come from the headquarters in Nairobi because it takes so long to vet and approve the applications from the counties.

(iii) **Political Interference:** MPs, MCAs and Women Representatives have been inciting beneficiaries not to pay back the funds. They tell them that the AAFs are grants from the government meant to empower Kenyans. This has really made it difficult for county management to recover these funds once issued.

(iv) **Lack of legal framework to recover funds:** The AAFs have no legal framework upon which to prosecute defaulters to recover the money. Unfortunately the Credit Reference Bureau (CRB) has not been devolved to the county levels to recover the funds making it easy for many defaulters getting away with this.

(v) **Lack of Harmonized Data on Beneficiaries:** Due to this an individual can access all the AAFs. Such individuals end up defaulting in one fund and are still able to access another fund. This has become a big problem for county officials who have no way to track beneficiaries.

(vi) **Poor Facilitation of the Fund Officers:** Majority of the fund officers and volunteers are paid poorly, have no cars, and are expected to cover vast areas where the groups are. They find it difficult to follow up on groups and defaulters as most of the time they are forced to dig deep into their pockets in order to execute their duties. The AAFs have provided motorcycles most of which are always broken, and when operational, getting fuel money becomes hectic.

(vii) **Lack of Physical Offices and Poor Working Environment:** AAFs officers in all the counties shared offices with the Department of Social Services. They have small office cubicles, most of which lack furniture, office equipment and even keeping records of beneficiaries was only done on extremely dirty books. Majority of the officers reported that they have tried to get offices but they always got false promises. This impedes service delivery.

(viii) Need for Sensitization about the AAFs: Majority of key informants at the counties claimed that the AAFs are not well known and hence the uptake has been low. They attributed the low levels of awareness to lack of proper advertising and especially through local vernacular stations. For example, 22.9% of the respondents across the counties noted that they were not aware of the funds because officers have no capacity to hold seminars across vast counties and with very poor facilitation.

(ix) Poor Perceptions about Using Loans: Many people in the counties fear taking loans and especially from government or banks. This is because they fear failing to repay and their assets being repossessed by the lenders. This has become very difficult for groups/individuals to agree to join the AAFs.

(x) Difficulties in Forming Groups: Many people and especially in urban areas find it hard to form groups and apply for the funds. This has kept so many people away as they find this condition limiting their abilities to borrow and use the government credit.

(xi) Poor Terms of Engagement and Job Security: Most of the fund officials are volunteers and those on contracts, fear for their jobs. They are never psyched up to do the jobs as they fear they can be fired any day.

(xii) Poor Pay and Benefits: All key informants said that they receive extremely low salaries that cannot sustain them. They are not permanent and pensionable and hence cannot access credit from banks as they have no securities. They do not even have medical cover for their families. They receive extremely low stipend and airtimes. This issue prevents them from serving vast areas.

(xiii) High Rates of Group Disintegration: Many groups are breaking down due to conflicts and withdrawal of members. This only means that fund officers must consistently be recruiting new groups to come and use the funds. Once the groups break down, it is hard to recruit new members in the groups and expensive to train new groups/members.

(xiv) Poor Youth Perceptions: Majority of the youth do not consider their businesses as a job and hence they lack seriousness in nurturing their businesses. These businesses fail once such youths get white collar jobs. Also, most of the youths are still under the care of their parents and they never give their best to investment groups.

(xv) Harsh National Economics times: Many businesses are finding it hard to thrive in the Kenyan economy where the majority of people are unemployed and mega corruption scandals on the rise. This creates a lot of uncertainties for groups. They find it very bureaucratic to start businesses and expensive to pay utilities like electricity and water. Some beneficiaries in Bungoma County invested in Nzoia Sugar, only for the company to go out of business and in that case, they lost their money. The increased inflation for instance reduces the purchasing power of people as reported from Kilifi County.

(xvi) Low Disbursement of Funds-Majority of the key informants said that many groups have over 30 people and once they receive Ksh.100,000 and share it amongst themselves, every member receives a very little amount that may be so insufficient to carry out any meaningful business.

(xvii) Short Repayment and Grace Periods: Lack of a longer grace period to start repaying the funds means that many groups, once they receive the money and share it, many beneficiaries end using their first credit to repay their first month premiums. It is even worse for those who borrow and invest in agriculture or in long-term returns investments; they will not have money for a minimum of 3 months and yet they are expected to repay. This has discouraged very many groups, some of which have withdrawn after repaying their first loans. Requiring a group to repay a loan in one year has really put many groups into a lot of pressure, and especially in groups where many are small scale farmers and small business owners.

(xviii) **Loan Securities & Collateral:** The key informants highlighted that many groups and especially youth have no title deeds and car logbooks as security for their loans. Majority of people and groups have no bank accounts. Therefore, requiring such groups to provide bank statements only means that they cannot borrow. Many potential beneficiaries have been locked out because of this. For instance, VUKA in YEDF asks for 6 months bank statements and many youths do not have these securities.

(xix) **Lack of Follow up Training:** After the first training, the majority of the groups still need retraining especially on dynamics of the growing business environment and how to remain relevant with their current business ventures. However, this never happens.

(xx) **Poor Monitoring and Evaluation:** Poor facilitation, vast areas to be covered and poor remuneration, it has become normal that no one goes to follow up on the impact these funds have had on people and evaluate areas of key improvement and strengths. This has left the government pumping money in affirmative action areas where the impact is only spoken of and never quantified.

(xxi) **Changing Climatic Conditions:** These have affected those groups that invested in agriculture and livestock rearing because drought affects crops and diseases affect livestock respectively. These incapacitate beneficiaries in their quest to remain consistent in their loan repayment.

(xxii) **Duplication of Roles:** Most of these funds do the same thing. For instance, WEF and YEDF are known to promote youth who can also be young women. This means they have the same mandate and yet they have different names.

FGDs and individual respondents revealed the following challenges facing the funds:

(i) Short grace and repayment periods

(ii) Long bureaucracies before funds are disbursed

(iii) Too many requirements including that one must have to be in a group to access the funds, and collateral for loans.

(iv) UWEZO fund takes so long for money to be approved; longer than any other AAF.

(v) Lack of proper recognition for those groups that are consistent in repayments in terms of easy access to loans in the future, and longer repayment periods.

(vi) Too much administration fees that cut back on the final disbursements to the groups; these fees would help groups achieve a lot. One group cited that they borrowed Ksh. 750,000 and received Ksh. 725,000. The difference went to administration fees.

(vii) Lack of legal framework to cover the groups in the event that one member dies; groups are forced to repay for the dead member or pass the mandate to next of kin, who in some cases, could be a child. This has caused many groups a lot of headache.

(viii) Conflicts among the group members leading to poor repayments, the breakdown of groups and even ending up in family feuds.

4.4 Proposed Solutions by Respondents to the Challenges

1. **Increase repayment and grace periods:** Grace period to start repaying the loan should be at least 3 months to help borrowers invest and start getting returns; repayment period should be

minimum 2 years to allow beneficiaries enough time to restructure their repayment.

2. **Proper remuneration of staff and Job Security:** All fund officers are underpaid and expected to deliver. Moving forward, there is need to review their salaries/stipends/allowances because they do the groundwork and especially on training beneficiaries and following up on defaulters. They also need job security for officers and employee's benefits medial covers and other benefits e.g. some get as little as Ksh.27,000 before tax.
3. **Re-training:** Beneficiaries need to be trained many times to make sure that their businesses remain relevant in changing times. Retraining will also act as a way to monitor their growth socially and economically.
4. **Diversification of group projects:** Encourage groups from all sectors to apply for these funds other than a skewed bias towards agriculture and business only. Create tailor-made loans to suit the preference of the applicants.
5. **Fast-track disbursement of funds:** This is to ensure that it does not take so long for funds to reach the beneficiaries.
6. **Enhance cooperation across all funds:** This will ensure that they share ideas on how to serve Kenyans better. In the future look for ways to consolidate functions for better management; a lot could be achieved if all funds worked together.
7. **Employ more resources to the county officers:** Employ more staff so as to increase the reach to vast areas and more groups can be reached. Provide vehicles/more motorcycles so that many areas can be reached easily and within a short time. Funds should be set aside to facilitate effective operations of officers in charge of administration separate from the actual funds meant for

beneficiaries. They should decentralize administration costs/funds to counties. The government should include/increase transport allowances so that AAF officers can access the beneficiaries with ease as well as availing resources for operations such as computers, stationery, communication facilities and so on.

8. **Government support in sensitization:** Additional support from county and national governments is required on infrastructure and advertisement, sensitization, and accessibility of AAFs. Chiefs, County administrators, churches etc. should be used more to create awareness. Sensitization can be using chief barazas, church announcements and advertisement through the media. Through awareness, negative publicity from politicians will be reduced and many would be willing to borrow funds. It is important to sensitize the beneficiaries that the faster they repay the loans, the higher the rate of absorption in their region as it will benefit others.
9. **Remove Political Interference**: As much as possible, politicians should not be allowed to meddle with the disbursement of AAFs.

4.5: Major Priority Areas to Promote Enterprise Development

According to key informants, the major priorities areas that need to be addressed to promote women, youth and PWD economic empowerment through enterprise development are:

(I) Training on business planning for sustainability purposes through networking, value addition etc, and technical officers should work with the beneficiaries to mentor them on how to grow their businesses.

(II) Tailor make the products/training to the particular groups and not assume that what youth want is what PWDs want.

(III) Exchange programs amongst the groups to learn best practices from one another
(IV) Improve the training curriculum and do pre and post disbursement training
(V) Training in entrepreneurial skills since when the women are given the loans, they share it amongst themselves and it is not used for the intended purpose which is to invest.
(VI) Networking since most groups are doing the same things (producing or selling the same products).
(VII) Training on good business practices especially on accountability
(VIII) Increase the funding since the maximum given (Ksh.750,000 for WEF) is too little and this should be increased to Ksh.1,000000.
(IX) The regulations are too restrictive where emphasis is on group lending. It is therefore important to diversify the product funding and allow individual loan products.
(X) Capacity building such that the training curriculum is broadened to cover basic book keeping and tax returns.
(XI) Business licensing is a huge problem for start ups. These should be lowered or done away with altogether.
(XII) Establish special areas (zones) for startups so they can horn business skills and make it easy to access markets.

On how the leadership and coordination structures within National and County government's structures and institutions can be improved to leverage impact of current AAFs, the key informants said that:

(i) It is important to identify the strength of each level of government and leverage on it in order to achieve the goal of increasing the impact of AAFs.
(ii) These two levels of government should work together in a complementary and not competitive way.

(iii) Counties have investor forums that they can showcase the AAFs products and help in marketing the products.

(iv) Political interference from the Council of Governors (COGs) has been interfering with the YEDF since they are not the ones controlling the fund. For example, counties have refused to support LPO/LSOs issued by YEDF for AGPO and this should cease

In order to improve the access women, youth and PWDs have to business finance the following are important as suggested by key informants:

(i) Need to transition the groups to the next level in order to access credit from banks

(ii) Need to partner with financial institutions (FIs) to sensitize them in loaning funds to the viable businesses

(iii) Need to have a database of the beneficiaries and their businesses in order to monitor them and link them to banks and other FIs

(iv) Capacity building to help in key requirements in accessing business finance

(v) Sharing market information

(vi) Tailor make the funds to the needs of the beneficiaries

(vii) Sensitization that there are other options of accessing business finance

(viii) Change attitudes of the women, youth and PWDs that AAFs are not grants (free money) and should be repaid.

(ix) Proper targeting of the intended beneficiaries.

(x) Sector specific loans should be made available to the groups depending on the culture, eg, sharia compliant loans for the Muslim youth, women and PWDs

In order to improve the access business women, youths and PWDs to business development services (i.e., business training, information, mentorship, etc.) the key informants suggested the following:

(i) Need to mentor them to start thinking big in order to transition into bigger enterprises and to train them to incorporate technical people into their businesses and not rely solely on their own knowledge which may be inadequate
(ii) The Trainers of Trainers (TOTs) need to be retrained and to break the training content into simple terms in order to suit the recipients' level, localize the training materials and to translate it into local languages
(iii) Have information desks at county level markets centers
(iv) Establish a mentorship program to work with the women, youth and PWDs to grow their businesses and to use success stories in order to inspire the entrepreneurs.

The key informants suggested that in order to improve women's, youth and PWDs access to national and global markets, it is important to:

(i) Provide opportunities for exhibitions
(ii) Make deliberate planning to link them to external markets
(iii) Facilitate and sponsor them to exhibitions in international markets
(iv) Leverage on County investment forums
(v) Train beneficiaries on how to meet international standards
(vi) Linking the beneficiaries with Export Promotion Council
(vii) Help in standardizing their products through KEBs
(viii) Train the beneficiaries on the use of social media in online marketing. For example, WEF Soko has been showcasing the beneficiaries products on line
(ix) Governments to create a good business environment in order to motivate the beneficiaries sell goods both nationally and globally, e.g. Give quotas to them to supply institutions

5. TOWARDS AMALGAMATION OF AAFs – POLICY & PRACTICE RECOMMENDATIONS

The main objective of the study was to assess the performance of the UWEZO, WEF and YEDF in order to provide a one-stop shop for affirmative action groups seeking affordable and accessible business loans, as well as improve efficiency and effectiveness and eliminate overlaps. This study has identified the critical areas of success for up scaling, areas of weaknesses and resource gaps that will inform future planning for Biashara Kenya Fund. These are the following:

5.1 Critical Areas of Success, Areas of Weaknesses and Resource Gaps

Addressing Training and Mentorship Needs

There's need to fill the knowledge gap with regard to the extent to which affirmative action funds target groups know about financial services, the nature of non-financial services and the training needs. An important consideration for the amalgamation of these funds could involve:

1. Developing a clear Training and Mentorship Strategy
2. Undertaking rapid assessment on the level of know-how of financial services of Biashara Fund target groups and training needs to design effective business and Entrepreneurial training courses. A rapid assessment of the training needs would also ensure that possible targets receive appropriate and fit-for-purpose training and mentorship support.
3. Widening the scope of the training to include trainings on book keeping, management and leadership, marketing etc.
4. Developing a simplified Biashara Fund Training Handbook for the various AAF products

Sufficiency of Loan Amounts

The assessment highlighted that the amount of loan provided per person/ group is extremely low compared to the business needs of the target beneficiaries and somehow condemns their businesses to remain small. Amalgamation of the funds should therefore prioritise:

1. Raising the loan level so that it will be sufficient to start a meaningful business or expand an existing small business.
2. Develop a clear graduation criteria for loan beneficiaries for subsequent applications to promote business and enterprise growth

Legal Framework

A new progressive legal framework would be needed to provide a firm and foundational basis for the Biashara Fund Board. The legal framework should also address:

1. The management modalities to ensure flexible and multiple fund management modalities between Government Bodies. Micro-Finance Institutions and other intermediaries
2. Define clear targets and intended beneficiaries to eliminate duplication witnessed in current AAFs
3. Set and define clear provisions for loan repayment and recovery
4. Set clear provisions to ensure the benefit of minorities, people with disabilities, youth in informal settlements, pastoralists etc
5. Establish a coordinating mechanism that provides for a single administrative framework at local levels.
6. Establish a method of information sharing with the Credit Reference Bureau to reduce loan defaulting

Improving Staffing and Coordination

The existence of the AAFs is good and commendable as a measure towards enhancing economic opportunities for women, youth and PWDs entrepreneurs. However, various operational and coordination challenges at County and National levels are likely to prevent these funds from effectively contributing to these target group's economic empowerment. These challenges include: lack of transportation and facilitation for loan officers at County level, a lack of synergy in coordinating capacity enhancement efforts by the various affirmative action (National and County government) and private sector initiatives targeting women, youth and PWDs entrepreneurs. To improve staffing and coordination:

1. A tri-partite coordinating mechanism between national and county governments on one hand the private sector, and other Non-State Actors on the other hand should be constituted at County levels to address capacity building strategies, and share information which would greatly enhance effectiveness of the various mechanisms currently instituted for women, youth and PWDs economic empowerment.
2. Ensure adequate staffing levels at the Biashara Fund Board Secretariat
3. Ensure adequate staffing at Field Offices
4. Improve operational efficiency at field level e.g. motorcycles, offices etc
5. Provide for clear terms of engagement and job security for field officers

Sustainability

The business model pursued by the various AAFs did not effectively assure the Funds long-term sustainability. The interest rates were insufficient to generate adequate return on investment to sustain the Funds. Biashara Fund should develop partnerships and collaborations with public sector and Not-for-Profit organisations with existing facilities and technical competence for business development services and entrepreneurship training, for cost effective but high impact training solutions. In the long term, Biashara Fund should develop a specialised Business Development Institute.

5.2 Word of Caution on Proposed Biashara Kenya Fund

(i) The Biashara Fund will help in using the lessons learnt in operating the AAFs into practice and discarding the bad experiences

(ii) The transition and implementation need to be managed properly without diluting what has already been achieved by WEF, YEDF and UWEZO. There should be a smooth transition to the Biashara fund to avoid fraud and default on repayment on existing loans.

(i) Political interference should be eliminated and it is important to disengage the fund from politics by establishing it by an act of parliament and not just by declaration.

(iii) Is Biashara Fund an affirmative Action Fund or an Empowerment Fund? The affirmativeness of the Fund will have been lost.

(iv) Public participation in decision making will be lost in the Biashara Kenya Fund. Decision making will be at the top and not participatory as is the case with the current AAFs.

(v) Staffing issues need to be sorted out. What will happen to the current staff? The serving staff should be given preference to continue working in order to ensure continuity and sustainability.

(vi) Make Biashara Kenya Limited an autonomous organization in order to mobilize resources

(vii) There is need to leave behind the bad practices and chart a new way of doings things as the way forward

(viii) There might be conflicts within the new Biashara Kenya fund since the government is merging different entities into one and this needs to be well managed

(ix) Need to be careful when coming up with the regulations, for example, the financial intermediaries that will be used should be scrutinized in case they get the money and don't disburse it to the intended beneficiaries.

REFERENCES

Etter, (2012) "Socio-economic Impact of Women Enterprise Fund on the livelihoods of women in Kenya, a case study of Thika",

Heeks, R. A. (2000). Information systems and developing countries: Failure, success and local projects.

Kitheka (2015) "Influence of Youth Enterprise Development Fund on Rural development in Kikuyu Constituency, Kiambu County, Kenya".

Mapesa, M.. & Kibua, N. (2006). An assessment of the Management and Utilization of the Constituency Development Fund in Kenya.

Oduol, et.al. (2013), "Effect of the Youth Enterprise Development Fund on Youth Enterprises in Kenya, Siaya County".

Olima, G. A. (2016), influence of UWEZO funds on enhancing Livelihoods among youth and women in Ainabkoi constituency, Uasin Gishu county, Kenya", A Research project submitted in partial fulfilment of Master of Arts degree in project planning and management, University of Nairobi

Simiyu, F. N. (2016), "Factors influencing implementation of Government Affirmative Action Projects: A case of UWEZO fund projects in Embakasi East sub-county, Kenya", A research project report submitted in partial fulfilment of the requirements for the award of the degree of master of arts in project planning and management of the University of Nairobi.

UFOB Capacity Training Material. (2014). UWEZO Fund profile 2015, Retrieved from https://www.UWEZO.go.ke

APPENDICES

CHECKLIST

	TASK	STATUS
TRAINING, CAPACITY BUILDING & MENTORSHIP		
	Developing a clear Training and Mentorship Strategy	
	Undertake rapid assessment on the level of know-how of financial services of AAFs target groups and training needs to design effective business and Entrepreneurial training courses.	
	Widen the scope of the training to include trainings on book keeping, management and leadership, group formation, governance, marketing, value addition etc.	
	Developing a simplified Biashara Fund Training Handbook for the various AAF products	
LEGAL FRAMEWORK		
	Management modalities to ensure flexible and multiple fund management modalities between Government Bodies. Micro-Finance Institutions and other intermediaries	
	Define clear targets and intended beneficiaries to eliminate duplication witnessed in current AAFs	
	Set and define clear provisions for loan repayment and recovery	
	Set clear provisions to ensure the benefit of minorities, people with disabilities, youth in informal settlements, pastoralists etc	
	Establish a coordinating mechanism that provides for a single administrative framework at local levels.	
	Establish a method of information sharing with the Credit Reference Bureau to reduce loan defaulting	
SUFFICIENCY OF FUNDING		
	Raising the loan level so that it will be sufficient to start a meaningful business or expand an existing small business.	
	Develop a clear graduation criteria for loan beneficiaries for subsequent applications to promote business and enterprise growth	
STAFFING AND COORDINATION		
	Establish a tri-partite coordinating mechanism between national and county governments on one hand the private sector, and other Non-State Actors on the other hand at County levels to address capacity building strategies, and share information which would greatly enhance effectiveness of the various mechanisms currently instituted for women, youth and PWDs economic empowerment.	
	Ensure adequate staffing levels at the Biashara Fund Board Secretariat	
	Ensure adequate staffing at Field Offices	
	Ensure operational efficiency at field level e.g. motorcycles, offices etc	
	Provide for clear terms of engagement and job security for field officers	

APENDIX 1: FOCUS GROUP QUESTIONNAIRE

QUESTIONNAIRE FOR FOCUS GROUP DISCUSSION

IMPACT ASSESSMENT OF AFFIRMATIVE ACTION FUNDS

A. **Name of County**____
B. **Name of interviewer** ____
C. **Date of interview** ____

---

1. Which kind of business do the affirmative action fund beneficiaries involved in?
2. For those who apply for the funds, what do they do with the funds?
3. Is it always that the applications are successful?
4. What are some of the reasons for the failure to succeed in the application of the funds?
5. What is the average amount of credit does one/group get and what determines this amount?
6. How long did it take you from the time of applying for the loan to the time of payment and what determines the time?
7. Do the businesses that borrow credit expand as a result of the loan? (Probe)
   (a) Profit Margin ( )
   (b) More consumers ( )
   (c) New Marketing routes ( )
   (d) Employees ( )
   (e) Amount of stock ( )
   (f) Acquisition of new partners ( )
   (g) Others ( ) Specify

(a) Is it always that the fund managers provide capacity building on the use of the fund in terms of training before they give the load?

8. After receiving the training do think you are now a better manager of your business?
9. Has your level of food security improved since your got credit from the affirmative fund?
10. Have you managed to acquire more assets since you got the credit from the affirmative fund?

(a) Have you managed to increase your savings through table banking from the profits after being given credit the affirmative action fund?

11. Are you able to participate in decision making at home since you got the credit from the affirmative action funds?
12. Are you satisfied with the way the affirmative funds are administered?
13. What are the barriers/challenges you are experiencing?
14. How should the identified barriers/challenges be addressed?
15. Have the affirmative action funds contributed to creating an enabling environment for women/youth and PWDs, to participate in business in Kenya?
16. What are some of the success/achievement of the affirmative action Funds in this county?
17. What sort of challenges do the affirmative action funds face?

APPENDIX 2: FACE TO FACE QUESTIONNAIRE

QUESTIONNAIRE FOR INDIVIDUAL WOMEN/YOUTH AND PWD

IMPACT ASSESSMENT OF AFFIRMATIVE ACTION FUNDS

A. Name of county____

B. Name of interviewee ____

C. Sex of interviewee

(i) Male

(ii) Female

D. Age of interviewee in years _________________________________

E. Date of Birth of Interviewee _________________________________

F. Name of interviewer ____

G. Date of interview ____

____

1. Which kind of business are you involved in?
   a) Agribusinesses/food supplies ( )
   b) Manufacturing/mechanics ( )
   c) Construction/works ( )
   d) Retail/wholesale/trade ( )
   e) Hospitality/catering/event organization/performing arts ( )
   f) ICT services ( )
   g) Professional/consultancy/research services ( )
   h) Security/cleaning services ( )
2. How long has your business been in existence?
   a) 0-5 years ( )
   b) 5-10years ( )
   c) More than 10years ( )

3. In that time, have you applied for any affirmative fund?
   (a) Yes ( )
   (b) No ( ) (move to question 5)
4. If yes to Q 3, which affirmative fund did you apply?
   (a) Women Enterprise Fund
   (b) Youth Enterprise Development Fund
   (c) UWEZO Fund
5. If No to Q 3, why did you not apply for any of the Funds?
   (a) I am not aware of such funds
   (c) I hear the process of application is very complicated
   (d) I hear that there is corruption in the administration of the fund
   (e) I do not need the money from the Funds
6. If yes to Q 3, was your application successful?
   a) Yes ( )
   b) No ( )
7. If No to question 5, what was the reason for the failure to succeed in the application of the funds?

   ……………………………………………………………………………………………

   ……………………………………………………………………………………………
8. If yes to Q6 how much money did you get?
   Ksh___________________________
9. How long did it take you from the time of applying for the loan to the time of payment?
   (a) <1 year
   (b) 1 Year
   (c) >1 year
10. Since you got the loan has there been any expansion of your business?
    (a) Yes ( )
    (b) No ( )

11. If yes to 10, in what form of expansion has your business experienced as a result of the loan?

    (h) Profit Margin ( )

    (i) More consumers ( )

    (j) New Marketing routes ( )

    (k) Employees ( )

    (l) Amount of stock ( )

    (m) Acquisition of new partners ( )

    (n) Others ( ) Specify

12. Did you receive any training before you got the loan?

    (b) Yes ( )

    (c) No ( )

13. If Yes to Q 12, are you now a better manager of your business?

    (a) Yes ( )
    (b) No ( )

14. Has your level of food security improved since your got credit from the affirmative fund?

    (a) Yes ( )

    (b) No ( )

15. Have you managed to acquire more assets since you got the credit from the affirmative fund?

    (b) Yes ( )

    (c) No ( )

(d) Have you managed to increase your savings through table banking from the profits after being given credit the affirmative action fund?

    (a) Yes ( )

    (b) No ( )

16. Are you able to participate in decision making at home since you got the credit from the affirmative action funds?

    (a) Yes ( )

(b) No ( )

17. Are you satisfied with the way the affirmative funds are administered?

(a) Yes ( )

(b) No ( )

18. If yes to Q 17, what are the barriers/challenges you are experiencing?

…………………………………………………………………………………………………
………………………………………………………………………………………………

………………………………………………………………………………………………

19. How should the identified barriers/challenges be addressed?

…………………………………………………………………………………………………
…………………………………………………………………………………………………

…………………………………………………………………………………………………
…………………………………………………………………………………………………

20. Have the affirmative action funds contributed to creating an enabling environment for women/youth and PWDs, to participate in business in Kenya?

(a) Yes ( )

(b) No ( )

APPENDIX 3: KEY INFORMANT QUESTIONNAIRE

QUESTIONNAIRE FOR KEY INFORMANT

IMPACT ASSESSMENT OF AFFIRMATIVE ACTION FUNDS

A. **Name of County**____

B. **Name of interviewee** ____________________________________

C. **Sex of interviewee**

(iii) **Male**

(iv) **Female**

D. **Age of interviewee in years** ______________________________

E. **Date of Birth of Interviewee** ______________________________

F. **Designation of Interviewee** _______________________________

G. **Name of interviewer** ___________________________________

H. **Date of interview** _____________________________________

1. What are some of the success/achievement of the affirmative action Funds in this county?

2. What sort of challenges do the affirmative action funds face?
   Explain____

3. How should these challenges be addressed?

   Explain____

APPENDIX 4 : QUESTIONNAIRE – KII (FUND ADMINISTRATORS – NAIROBI)

QUESTIONNAIRE – KII (FUND ADMINISTRATORS – NAIROBI)
<u>IMPACT ASSESSMENT OF AFFIRMATIVE ACTION FUNDS</u>

1. In your opinion what has been the main impact of the AAFs in Kenya?

2. What are the major priorities areas that need to be addressed to promote women's, youth and PWD economic empowerment through enterprise development?

3. How can leadership and coordination structures within National and County government's structures and institutions be improved to leverage impact of current AAFs?

4. How can the policy, legal and regulatory framework for AAFs be improved to maximise impact for Youth, PWDs and Women?

5. How can the promotion of women's, Youth and PWDs entrepreneurship be improved?

6. How can women's, Youth and PWDs access to enterprise education and training be improved?

7. What must be done to improve the access women, youth and PWDs have to business finance?

8. What must be done to improve the access business women, youths and PWDs have to business development services (i.e., business training, information, mentorship, etc.)?

9. What must be done to improve women's, youth and PWDs access to national and global markets?

10. What sort of challenges do the affirmative action funds face?

11. How should these challenges be addressed?
Explain

12. What is your opinion of the merging of UWEZO, YEDF and WEF to form the Biashara Fund

13. Do you think Biashara Fund will be able to address some of the challenges the AAFs have been facing and how?

APPENDIX 5: LIST OF PARTICIPANTS

IMPACT ASSESSMENT OF AFFIRMATIVE ACTION FUNDS

LIST OF RESPONDENTS (IDIs & KIIs)			
County	**Face-2-Face**	**KIIs**	**Designation**
	Name		
KITUI	Alfred Mwema Mwaniki	Elias Waki	Officer-WEF
	Mbaluko Nzuki	Peter Kamuri Burugu	Senior Assistant Director-YEDF
	Makaa Musyoki	Luciana M. Ndila	Principal Gender Officer
	Margaret Syano		
	Francisca Kalei		
	Zipporah Mawia Mwangangi		
	Said Musinji Kasiuu		
	Benjamin Mutinda		
	Agnes Mutua		
	Dorcas Muthui		
NYERI	Ann Nyawira Muthui	Christine Wangui Wanjohi	Officer-WEF-Mathira Consituency
	Gladys Nyawira	Joram Murimi	County Credit Officer-YEDF
	Ann Nyambura	Mercy Mucheru	Assistant Credit Officer-YEDF-Mukurweni
	Dennis Kibii Mathenge		
	Eunice Wanjiku		
	Margaret Nyagura		
	Duncan Ndegwa Kariuki		
	Mary Wanjiku		
	Naomi Nderitu		
	Susan		
KIRINYAGA	Sicily Njoki Mwai	Mary Wairimu Karongo	Senior Assistant Director, YEDF
	Purity Wamuyu Karimi	Doreen Nyambura Njoroge	County Credit Officer-YEDF
	Nancy Wanjiku Murigu	Peter Njuguna Waichungo	Chief Gender Officer
	Lucy Wanjiku Muthigani	Sicily Wawira Muchira	Officer, WEF
	Ann Wambui Wahome		
	Lucy Wanjiru		
	Ann Wamutira Murimi		
	Leah Wangeci Kinyua		
	Agnes Rwamba Njeru		
	Mary Wangari Mwangi		
	Margaret Wanjiru		

	Caroline Njeri Mwai		
MERU	Doreen Karwirwa	Alphayo Kinyua Erastus	Sub-County Youth Development Officer-UWEZO Fund
	Peter Kimani	Mary Akerubi	Officer-WEF-Buuri Consituency
	Gideon Mwobobia	Martin Mwenda	Assistnt Credit Officer-YEDF-Buuri & North Imenti
	Josephine Kamathi Mugambi		
	Susan Karambu		
	Kaberia Isaiah		
	Stella Gichuki		
	Irene Kathure		
	Julia Muthoni		
	Caroline Kaimuri		
LAIKIPIA	Ann Njeri	Beatrice Gatonye	Assistant Credit Officer-YEDF
	Peter Mwangi Githinji	Francis Tepele	Acting County Credit Officer-YEDF
	Alvest Njoroge	Rose Makena	Volunteer-WEF
	Benjamin	Dorothy Kwamboka	Volunteer-WEF
	Mugambi Boniface		
	Dennis Mutuma		
	Margaret Githinji		
	John Kiragu		
	Jemimah Nderitu		
	Anthony Ngechu		
	Carol Wanjiru		
	Paul Mwangi		
	Samuel Macharia Ndegwa		
KILIFI	Enock Jefwa	Catherine Mutta	WEF-Field Officer
	Samuel Mauru	Mary Wambua	County Credit Officer
	Zachary Njoroge	J. Katunge	Sub-County Youth Development Officer
	Wilberforce Fichua		
	Stephen Furah		
	Loise Mwaribu		
	Julian P Bondo		
	Joseph Muhia		
	Elizabeth Mae		
	Esther Maku		
	Judy Maina		
	Samuel Mwau		
BOMET	Geoffrey Mitei	James Obwora	YEDF-Officer

	Stanely Terer	Chelangat Naomi	WEF Officer
	Bicty Mitei	Joyce Chemwa	YEDF-Officer
	Nancy Ngerich	Chelangat Naomi	Trade Officer
	Lily Nogeno		
	Ziporah Keriyet		
	Peris Akinyi		
	Leonard Ngeno		
	Debra Andisi		
	Eriuck Kirui		
HOMABAY	Jacinta Otieno	Duke Oyunge	WEF-Credit Officer
	Hulldah Odoyo	Judith A. Orero	Ag.County Credit Officer
	Debra Agger	Bernard Omeno	Sub-County Youth Officer-UWEZO Fund
	Eswina	William Otago	Officer
	Nick Odhiambo		
	Patrick Onyango		
	Lilian Akoth		
	Akumu Bonface		
	Maurice Ouma		
	Evans Odhiambo		
BUNGOMA	Monica Ndinyo	Alice Murambi	Youth Development Officer-UWEZO
	Gladys Onyango	Agnes Barasa	WEF Officer
	Samuel Ndierua	Jephnah Marinde	WEF-Location Coordinator
	David Kamau	Ronald Wachuye	Assistant County Credit Officer
	Vincent Oduri	Cecilia Osyanju	County Manger
	Kenneth Okoth		
	Eliakim Oure		
	Eliabeth Wanyonyi		
	Daniel Wanyama		
	Cristabell Shikuku		
GARISSA	Ismael Ahmed	Hassan Bare	YEDF Officer
	Angeline Onyango	Amina Abdi	WEF Officer
	Saidia Gedi	Paul Chege	Chairman-UWEZO
	Habiba Hussein		
	Mohammed Aden		
	Abdi Karim		
	Nicholas Muriuki		
	Mohamed Abdi		
	Mohamed Hussein		
	Paul Kinyanjui		
NAIROBI	Paul Wangai		WEF Manager-Finance and Administration

	Raphael N. Kimolo		WEF, Head of Credit
	Samuel Njue		YEDF Ag. Lending and Investment Manager
	Peter Lengapiani		UWEZO Fund CEO
	Daniel Kamanda		UWEZO Fund
	Dr. Anne Njau		UWEZO Fund

LIST OF PARTICIPANTS (FGDs)

COUNTY	FGD	MEMBERS
KIRINYAGA	**1 (Women Under 40 Years)**	Mercy Kariuko
		Stella Wangui
		Sarah Wambui
		Elizabeth Njeri
		Monicah Wairimu
		Hellen Muthoni
		Ann Wambui
	2. Women and Men	Emily Wangui Githome
		Wilfred W. Kamau.
		John Muriuki Gachoki.
		Margaret Wambui Itamau.
		Stella Watuthii Munene.
		Mercy Wanjiru Wacira
		Ann Wambui wahome.
		Phyllis Wanjiru Mugweru
		Sarah Watera.
		Karani Munene.
	3 (Women Over 40 Years)	Agnes Rwamba
		Jerusa Wangeci Muruga
		Rosemary Wabaricho Mwai (treasurer)
		Josphine Njeri Muhugu
		Susan Wanjiru Maina
		Caroline Wambui Kabiru
		Mary Wangari Mwangi
		Rose Wanjiku Gachoki
		Cecily Wawira Muthika
		Grace Muthoni Ndambiri
		Lucy Wairimu Kariuki
		Margaret Wanjiru Ndwiga
		Sarah Kabuchi Gatumu
	4. (Men)	Francis Nyaga Kiura
		Peter King'ang'i
		Stanley Nyaga
		Nelson Njiru
		Josphat Munyi
		Haniel Waweru
	5.(Women under 40 Years)	Rose Wakuthii Njomo
		Sicily Muthoni Mwangi
		Leah Wanjiku Gichangi

		Faith Wakuthii Muriuki
		Charity Waiyego Waweru
		Faith Wanjiku Muriithi
		Regina Miceere Gakunju
		Catherine Waruguru Muchira
		Caroline Wambui Gichobi
		Lucy Wawira Muriuki
NYERI	**Female FGD < 40 years**	Grace Wanjiku
		Cecilia Muthoni
		Jane Waruguru
		Rosaline Murugi
		Shelmith Muthoni
		Esther Wanjiru
		Margaret Wanjiru
		Jane Nyawira
		Catherine Karimi
		Susan Wangui
	Male	Charles Wafula
		John Nderitu
		George Wesonga
		Patrick Irungu
		Paul Maina
		Solomon Kagwe
		John Machiri
		Jackson Maina
		Douglas Kiama
		Francis Njogu
		Paul Kagema
	Women over 40 years	Esther Nyambura
		Catherine Wanjiru
		Mary Ngendo
		Rosalia Wairimu
		Mary Gsathoni
		Purity Waruguru
		Eunice Wairimu
		Sylvia Wairimu
		BEATRICE Njeri
		Jane Wangui
		Millicent Muringo
		Lucy Wambui
		Julia Wamuyu
LAIKIPIA	**Women (Mixed)**	Catherine Njoki
		Jane Wangeci
		Agnes Muthoni
		Anne Nyawira
		Lenza Atieno
		Eunice Nyambura
		Lesawen Nasieku
		Ruth Nyokabi

	Women Over 40	Angelina Gaita
		Hellen Kananu
		Nancy Ndentu
		Julia Mugambi
		Gladys Mpaka
		Miriam Muthama
		Rose Kaleu
		Gladys Ndege
		Janet Ndelevino
		Margaret Muthee
		Jane Gachagua
	Men	Adson M. Sintaroi
		William R. Namai
		Dickson Mamai
		James Y. Mamai
		Anthony m. Lasoi
		Phillimon Kimei
		Lemooke P.Lapoose
		Joseph Pere
MERU	**Women Over 40**	Julia Muthoni
		Consolata Gaji
		Evangeline Kagwiria
		Susan Kathuriwa
		Rebeca Gacheri
		Catherine Ngatha
		Catherine Kathure
		Benedetta Karimi
		Mercy Mwongera
		Priscilla Nkirote
		Martha Karimi
		Grace Gaiti
	Men	Stephen Gikunda
		Justus Mwongera
		Stephen Gikunda
		Justus Mwongera
		Mwobobia Mugambi
		Martin Mwiti
		Morris Mwiti
		Julius Muriithi
	Women Under 40	Juster Kawira
		Purity Kawira
		Cecilia Kanyeki
		Purity Murakami
		Purity Kagwiria
		Teresia Mukiri
		Julia Gakii
		Lucy Mbuya
KITUI	Women above 40	Mbeneka Kilonzi
		Patricia Douglas

		Mumbi Kisunzi
		Mwikali Muema
		Nzavi Mulwa
		Loisi Mulee
		Kasyoka Mutuku
		Esther Kyuli
		Ngami Kithinzi
		Monica Mbatha
		Agness Musembi
		Syokwaa Muema
	Men	Joseph Kitawa
		Mutua Mbaluka
		Justus M. Mwoke
		Mudenzi Nyaunde
		Timothy M. Ngao
		Mulwa Ileli
		Gaven Muteti
		Christopher Kyalo
		Patrick Wambua
		Kimathi Munaua
		Kyalo Mutinda
	Women Below 40	Margaret S
		Teresia Bernard
		Bibiana Wambua
		Dorcas M. Peter
		Mbithe Kiti
		Veronica Wambua
		Malimau Muia
		Mwongeli Matu
GARISSA **1st FGD** **MoYouth Group** **YEDF**	**Men/Youth Below 40**	Abdullahi
		Abdirashid
		Feisal
		Abdulahi
		Mohamed
		Hassan
		Hassa Bare
GARISSA **2nd FGD** **UWEZO**	**Women Above 40**	Isnimo Mohah
		Habiba Dimble
		Fatuma Sheel
		Dubey Sirat
		Bilado Yarow
		Halima Noor
		Halima Molid
GARISSA	**Women < & > 40**	Farliya Osman
		Samira Hussein
		Mwanaesha Said

3rd FGD WEF		Jane Salano
		Asha Aden
		Amina Ibrahim
		Mary Njeri
KILIFI 1st FGD	**Women Below 40**	Salama Ally
		Wafaa Hashim
		Saumu Omar
		Hidaya Athman
	Above 40	Penista Nyairo
	Men over 40	Samuel Nyachae
		Jared Momanyi
KILIFI 2nd FGD	**Men & Women**	Rukia Pamba Juma
	All Over 40	Mariam Huseini
		Mwanaidi Ali
		Hadija Kibwana
		Mkoka Kalume
		Suleiman Shaban
		Muhati Kibwana
KILIFI 3rd FGD	**Women Over 40**	Elibabeth Mae
		Rukia Myesi
		Christine Lewa
		Uchi Rama
		Felista M
		Ida Lenga
		Nelly Uchi M
		Samini Rama
		Esther K. Denga
		Mbeyu Mwangome
		Luvuno Lenga
		Emily J. Makonde
KILIFI 4th FGD		Kadzo Kaingu
		Brigitte Bahati
		Alice Randu
		Rose Mombo
		Mariamu Charo
		Bihakia Shaffi
		Mariamu Juma
		Bahati Fondo
		Mnyazi Angura
		Hadija Ramadhan
		Scholar Kanunga
		Mwanajuma Mkambe
Bungoma	**Women & Men**	Kennedy Sikuku
	< & > 40	Geofrey Walela

1st FGD **Nalondo Motorbike Youth Group** **Uwezo Fund**		Aggrey Juma
		Joan Nafula
		Denis Waliula
		Gilber Sikuku
		Cleophas Kakai
		Lenah Nabangala
		Eliud Walela
		Margaret Nyongesa
		Gladys Wanyama
		Mercelina Simiyu
Bungoma **2nd FGD** **Chebukwa W.G** **Namaswa W.G** **Shitwa-Mende W.G** **Pongola Ushindi W.G** **WEF**	**Women < & > 40**	Virginia Wanyonyi
		Jones Wafula
		Milliam Saisi
		Agnes Nafula
		Maximiller Mikisi
		Mildred Mwako
		Beatrice Wanj
		Gladys Onyango
		Florian Nanjala
		Mulunda Everlyne
		Monica Ndinyo
Bungoma **3rd FGD** **Siiri Village Youth Bunge Group**	**Women and Men**	Titus Wamalwa
	Below 40	Zacheus Khaemba
		Alfred Simuyu
		Geofrey Wanjala
		Pheobe Wekesa
		Ann Okumu
YEDF		Catherine Juma
		Christine Westa
		Linet Wanjala
		Pamela Nekesa
		Godfrey Juma
		Martin Simiyu
Bungoma **4th FGD** **Rising Star Youth Group** **YEDF**	**Women and Men**	David Ljuma
	< & > 40	Jerry Wanjala
		Jack Hop
		Dolphine Wanya
		Susy Masinde
		Nancy Simiyu
		Jacklyne Watulo
		Betty Anjela
		Wycliffe Suja
		Kevin Maina
		Damaris Wanjala
		Dorcas Nasaa
Bomet	**Women Above 40**	Sophia Tonui

1st FGD **Kapliyo Techgaa W.G** **Uwezo**		Nancy Ngerech
		Jane Ngerechi
		Jane Kalyasoi
		Ruth Mosonik
		Sarah Marindany
		Selly Kiulati
		Sipora Chebusit
		Emilly Masonik
		Rebecca Marindany
		Flomen Langat
		Grace Sesat
		Alice Chirchir
Bomet **2nd FGD** **Kipkebe Dairy W.G** **WEF**	**Women Above 40**	Selina Towett
		Jane Chepkwony
		Marion Rono
		Paskalia Rono
		Lily Kenduiwo
		Alice Siloi
		Christina Soi
		Jane Towwett
		Leah Soi
		Betty Yeson
		Naomi Chelengat
Bomet **3rd FGD** **Kotabgor Youth Group** **Feliche Y. G.** **Kogilgey Y. G** **YEDF**	**Women Below 40**	Emily Terer
		Beatrice Koech
		Masy Bett
		Naomi Cherono
		Faith Chebet
		Hellen Cherono
		Caroline Rotich
		Janeth Mutai
		Joyce Chemwa
Homabay **1st FGD** **Kamiula S.H.G** **WEF**	Women < & > 40	Olga Adhiambo
		Doreen Atak
		Jane Odhuno
		Jane Jerop
		Margaret Ogoda
		Rose Arondo
		Grace Ojema
		Jane Robert
		Edwina Akinyi
Homabay **2nd FGD** **Nyigem Widows & Orphan G** **Pentagon S.G**	**Women < & > 40**	Sarah Adhiambo
		Caren Atieno
		Margaret Akinyi
		Milicent Okun
		Edwin Achieng

UWEZO		Siprose Akinyi
Homabay **3rd FGD** **Mobishe Bodaboda Youth Group** **YEDF**	**Women and Men**	Alloys Okumu
	< & > 40	David Odhiambo
		Seth Obonyo
		Timothy Ogonyi
		Kennedy Ochieng
		Polycap Okoth
		Shirlene Ngala
		Everlyne Akinyi
		Joshua Odero
		Maureen Auma
		Ruth Atieno

APPENDIX 5: CASE STUDIES

SUCCESS STORIES

KITUI JIPANGE WOMEN GROUP FOCUS GROUP DISCUSSION – WOMEN ABOVE 40 YEARS

The meeting started with introduction of the group members present. The interview was conducted in Mithikwani Kitui West Constituency Kitui County on 23rd February, 2019. Jipange Women Group was formed on May 2014 as an entertainment group. They later started merry go round where it grew to table banking group. The group is comprised of twenty three members.

They were successfully awarded their first Women Enterprise Fund Loan (WEF) of a hundred Thousand Shillings (Kshs.100,000.00) on June 2017 and second WEF Loan of two hundred thousand shillings (Kshs.200,000.00) on October 2018. Through the affirmative action funds the group members have seen tremendous change of their lives through venturing into different businesses. The businesses they venture in are:

Table Banking

Poultry and goat keeping

Retail shops

Agribusiness

Green groceries

Hairdressing business

Restaurants

Once the group receives the cheque from WEF office, they subdivide the money among themselves then each member will invest on their own. Some paid school fees while others invested on their businesses. It was noted that not all application will go through since the WEF Officers consider different factors such as; group registration, capability to repay the loan, investment plan etc. before approving the loan application. In some cases, previous credit history of the group will be evaluated where loan repayment history and default cases are key to loan approval.

The first lot of Constituency Women Enterprise Scheme (CWES) WEF loan is a hundred thousand shillings for any group with a repayment period of twelve months. The subsequent loan amounts are Kshs.200,000, 350,000, 500,000, 750,000. Once the loan is received, the group members subdivide the money amongst themselves and the amount each member will get is determined by the number of the group members and also upon discussion of the members.

Upon application of their first WEF Loan, it only took three months to receive their cheque will for the second application it took four months. The time from application to receiving of the money is determined by different factors such as credit and default history, poor application (not filled as expected) and not meeting the needed requirements.

The affirmative action loan came with more benefits to Jipange Women Group beneficiaries and termed it as "TIMELY" since for those who are business were able to expand, acquire more stock, increased profit and exposure to more customers and new markets. As one of the members noted that:

"I have been buying mangoes at Kshs.10 each and selling them at Kshs.30 hence making a profit of Kshs.20" Jipange Group Member

It was ... ined before applicat... ed round on the application process, requirements, investment of the WEF money, repayment procedures, default circumstances and market access. Jipange Women Group was trained by WEF Officers for three days on application procedure, payment of the loan and expenditure management. Apart from WEF training, they have been trained by Kenya Women Trust Fund, Financial Services Association (FSA) Kabati, Kitui Union SACCO, Equity Bank and Sidian Bank formally known as K-Rep bank on table banking, expenditure management, investment of cash acquired through a loan, development of business proposal and plan. Upon training, the group members are in a better position to manage their businesses informing business expansion, keeping of records, better marketing strategies/techniques and profit maximization.

Jipange women group managed to repay their first loan on time and within a shorter period that the stipulated time of 12 months. For the second phase (Kshs.200,000), they have started the repayment process and they are confident that they will make it before the lapse of repayment period. Upon division of the money among the members, every member is supposed to pay a certain amount monthly until she clears her credit.

The group members have experienced increased food security levels since they benefited from the first phase WEF loan. It was noted that, all the members have invested in agriculture and it have been yielding better results than before especially those who have ventured into mung bean (Ndengu) farming. The mung bean business has seen one the group members pay her two months credit within a month a clear indication that there is improved profit margin. The members have invested in farm inputs like drought resistance seeds, fertilizers and other farm inputs which boost the farm produce hence increased food security. Through the profits from their businesses, some of the members have managed to acquire land and motorbikes. In addition, some members have created employment opportunities.

Jipange members have heavily reinvested their profits and dividends on table banking where they have access to money whenever they need hence increased savings. On the other hand, in December 2018, the group members shared some of the dividends from the year's savings.

It was noted that all the women present have been participating in decision making in their families be it on education, paying school fee, running of business and expenditure management especially on investment issues and acquisition of credit. The members noted that, their husbands have been supportive on their projects and appreciate their hard work since got their credit from WEF.

The members believe that the administration of the funds is well done this is because they have been getting the loans at the right time without delay. It was noted that, the WEF Officer attached to Kitui West has been working well with the groups attached to him by offering the needed services and processing their money at the right time. The members noted that, they have never had any challenge accessing the services from the WEF office and never heard any unethical practice from the WEF management at the County level.

There has been discouragements from external sources and people who do not belief on gender equality, equity and empowerment but the members have been working together to ensure that, the discouragements will not distract their goals. This has enabled them to achieve great things together. The community needs to be sensitized to as to change the perception of those who have been tied by cultural practices and those who don't believe on gender equality and women empowerment.

Jipange women group has one PWD and has benefited from the fund through venturing into business, taking care of medical bills and taking care of basic needs. The fund has seen change of attitude from the cultural practices view to adoption of women empowerment. The lives of many women and youth have been changed through venturing into their own businesses, creation of employment and increased food security at the household level. The illiteracy level has also increased since they used the proceeds of their businesses to pay school fees for their children. In addition, the affirmative action fund has seen women accumulate wealth without dependency on their husbands and other family members for provision. For Jipange Women Group, it has been a success story form the time it was formed in the year 2014. The group started as an entertainment group which turned into a merry go round where they were contributing only Kshs.50.

From the time they got their first loan from WEF they have participated in different entertainment events one being NGAAF competition at the County level and ranked at position three. They were awarded with Kshs.3,000 shillings and a certificate. In addition, they have been entertaining the public during public holiday gatherings organized by the County Government of Kitui.

The group has seen tremendous change in saving their contributions and advancing their merry go round contributions from Kshs.50 to Kshs.200 every week.

There is a need to document the success story of this group and evaluate the impact of their work in the community.

SYOKITHUMBI LOCATION MEN FOCUS GROUP DISCUSSION

The focus group discussion was conducted on 23rd February, 2019 at Syokithumbi shopping centre Kitui West Constituency, Kitui County. The members were drawn from different groups as shown below:

Group	**Year Formed**	**Loan Phase (Kshs.)**	**Year Received**
Wendano Jua Kali	January 2012	500,000	December 2018
Katethya Women Self Help Group	2013	200,000	September 2018
Meko Self Help Group	January,2014	200,000	February 2017
Kusaanya Women Group	May 2015	200,000	May 2018
Kithumbi Women Group	May 2014	200,000	January 2017

The withdrawal of men from different groups was due to the fund requirement which states that "for men to benefit from WEF 70% of the group members should be women with men constituting 30% of the group".

The main businesses the members are involved in are: agribusiness, retail and whole sale, poultry and goat keeping, water supply and table banking.

Since every member have a different need, it was noted that the following were the key budget lines on how they spend the funds:

- Paying school fee

- Investing in their businesses
- Table banking

Buying farm inputs like fertilizer, seeds and also payment for ploughing services
In most cases, not all applications are successful because each applicant has to package their application well and ensure they meet the minimum requirements of WEF. Where the application is not successful, the applicant might not have met the minimum requirements such as registration certificate, trained on business management skills and if the group has default history.
The first lot of Constituency Women Enterprise Scheme (CWES) WEF loan is a hundred thousand shillings Kshs.100,000) for any group with a repayment period of twelve months. The subsequent loan amounts are Kshs.200,000, 350,000, 500,000, 750,000. Once the loan is received, the group members subdivide the money amongst themselves and the amount each member will get is determined by the number of the group members and also upon discussion of the members.
It was noted that the loan application can take four months to a year before maturity. Some of the groups like Katethya Women and Meko Self-help group waited for almost a year after they made their application. The main factor which determines the maturity of the loan is payment of the preceding loan, clear business plan on how to use the money, business management skills default history of the group. It was also noted that, loan repayment is factor since when some groups have not paid back their loan; it will affect the loan disbursement of other group hence having to wait longer than expected.
Those who are in agribusiness have seen change in their harvest since they started using drought resistance seeds for maize, mung beans and beans. The harvest has been high compared to five years ago when we had no money to invest on farm inputs. There has been increased profit margin, business expansion and access to new markets.

The groups were trained on business management skills since is a prerequisite before applying for the WEF loan. They also have been receiving continuous trainings from the WEF Officers through continuous evaluation of their projects and on how to improve on implementation. They have also been trained by different financial institutions such as. FSA Kabati, Equity Bank, Kenya Women Trust Fund on loan application, business management and development of business proposal.

Success in any business is determined by the management of finances and decision making. The members noted that, the outcome of their investments is the determinant of being a good manager since they have managed to use the fund in the right way through the best investment plan.

All the groups managed to pay their credit on time whereby some of them cleared their dues within half a year (six Months) rather than paying in twelve months. This was informed by proper investment of the fund such as agribusiness, table banking and supply of water which has been termed lucrative in the area. The food security status of the beneficiaries household has increased compared to some years ago where they had to go to bed hungry. The members have also created employment to the community and also to themselves whereby they have an income every month therefore enterprise development in terms of assets, wealth accumulation and expansion their businesses from small scale to medium and large scale businesses.

Most of the members have managed to acquire more assets which they use them for generating income. Some of these assets are tuk tuk used to supplying water in the community, motorcycles used for boda boda businesses and buying of land. Table banking is one of the groups' success stories whereby it has been a lucrative business in the area. This has helped them save more and reinvest on the table banking business. The groups have also been using merry go round as part of their saving plan. It was noted that the members have been participating in decision making in matters related to development, and investment of the WEF.

"In most cases, we have been making sure we have been involved in decision making such as running of businesses, investment plans". Anonymous Group Member

The involvement of all family members has ensured there is gender equity and equality and no one feels lesser than the other since all the opinions of the family members are taken as equal. This has also informed investment of the WEF money in the right place hence better management.

The only challenge the group had experienced was delay in release of their money. This happened in different phases since each group is at different level of WEF Loan Phase. It is believed that, the WEF loan should not take more than four months but the groups at Syokithumbi Location had to wait for more than four months to get their cheque. The beneficiaries do not have enough time to invest the money before they make their first loan payment.

There should be a clear communication when there is delay in release of funds so that the group members are aware of the hiccups in advance. The Fund officers should also give a stipulated period of when the funds should be ready so as the members to ascertain when their loan will be ready. In addition, the fund offices should give the beneficiaries at least three months to invest the money in their businesses before they start making their first loan repayment.

Affirmative action funds came with many benefits to women, youth and PWD in the Country. It has given different groups in the country to venture into businesses through group partnerships and access to government procurement services. The participants believe that, WEF has changed their lives and it has contributed to achievement of sustainable development goals such as No poverty, Zero hunger and Gender Equality.

Some of the success stories of the groups are:

Most of the groups have started their own projects such as supplying of water using tuk tuks, boda boda businesses and mung bean farming. These projects have seen the groups reap so much enhancing their livelihood at all levels. The members have used their profits to pay school fees for their kids at primary, secondary schools, colleges and university levels which have decreased illiteracy levels of the location as compared to the past where it was known that children from Syokithumbi location do not go to school due to high levels of poverty. WEF has helped in development of the area on cultural beliefs which do not favour women. The community now believes that women empowerment has played a key rule on improvement of household livelihoods.

“WEF has changed our lives from poor to riches since we have been able to accumulate wealth, pay school fees for our children, and buy farm inputs…” Meko Self Help Group Member

“Poverty dominated this village before but since we benefited from WEF, our lives have never been the same, we choose the right investment and we have seen better fruits”, Wendano Jua Kali Group Member

KITUI UNDER 40 YEARS WOMEN FOCUS GROUP DISCUSSION

The focus group discussion was conducted on 24th February, 2019 at Syokithumbi shopping centre Kitui West Constituency, Kitui County. The members were drawn from different groups who are beneficiaries of Constituency Women Enterprise Scheme (CWES) WEF loan as shown below:

Group	**Year Formed**	**Loan Phase (Kshs.)**	**Year Received**
Wendano Jua Kali	January 2012	500,000	December 2018
Katethya Women Self Help Group	2013	200,000	September 2018
Meko Self Help Group	January,2014	200,000	February 2017
Kusaanya Women Group	May 2015	200,000	May 2018
Kithumbi Women Group	May 2014	200,000	January 2017
Kyeni Kya Aka	May 2015	500,000	July 2018
Loving Mothers	January 2016	200,000	September 2017

The merging of women under the age of 40 years came as a result of few women available since most of them are working at different areas across the county.

The group members have been involved in different businesses such as:

- Agri-business
- Poultry keeping
- Table banking
- Retail and whole sale business
- Boda boda
- Supply of water
- Goat keeping
- Outside catering

Events organizing (provision of tents and chairs)

The beneficiaries have been able to invest in their business through buying of stock; buying of farm inputs such as drought resistance seeds and fertilizer; water supply; investing on table banking and paying of school fees.

The members believe that, any applicant who makes an application to WEF is awarded unless he/she didn't follow the right procedure and not meeting the prerequisite requirements. Some of the barriers for the applications which don't going through could be:

- Lack of business management skills which is a key requirement for any applicant
- Unregistered groups – without registration certificate
- Groups with default history from different loan providers and also WEF preceding loans
- Poor management of the previous WEF loan

The first lot of Constituency Women Enterprise Scheme (CWES) WEF loan is a hundred thousand shillings for any group with a repayment period of twelve months. The subsequent loan amounts are Kshs.200,000, 350,000, 500,000, 750,000 and the group applies for the subsequent loan upon repaying the loan from each stage. Once the loan is received, the group members subdivide the money amongst themselves and the amount each member will get is determined by the number of the group members and also upon discussion of the members. Upon receiving the cheque from the WEF Office, they bank it and share the money equally or upon agreement among themselves. This means that some members might get more than the other but for the purpose of equality at the group, they share the money equally.

It was noted that the set time for the WEF loan to reach the applicants is approximately three to five months. At some times, some applications are returned to be redone when there are mistakes to be corrected, addition of more details are the WEF office may communicate or when the applicants didn't follow the right procedure or didn't answer all the questions as per the application require. This affects the time which the group will get the money from WEF offices.

Below are some of the accomplishments the WEF beneficiaries:

- Expansion of their businesses through building business structures and buying more stock
- Their businesses have experienced increased profit margin

- Creation Employment Opportunities– self-employment and also creating employment opportunities for other people
- Venturing into businesses for those who had not started their own businesses

The groups were trained before they made the WEF application on application process, preparation of the needed documents to be used during the application process, business management skills, benefits of affirmative action funds, management and investment of the WEF loan, access to market, repayment process and timelines. The groups have also been trained by different financial institutions such as:

- Equity Bank – business management and loan
- FSA Kabati – loan acquisition, business management skills, and savings
- Hand in Hand –this organization has been offering continuous training of women across the location on savings and business management skills.
- Sidian Bank formerly known as K-Rep Bank
- Kenya Women Trust Fund

The participants believe that they have become great managers since they were trained by the WEF officers and other financial institutions. Their great management skills have led to excelling on their business ventures.

It was noted that, the groups have been paying their dues at the right time as required by WEF loan payment guidelines. In most cases, they have been clearing the loan payment before the expiry of the stipulated time.

The affirmative action fund has helped in improvement of household food security status for the beneficiaries. This has been evident from the high harvests they have been experiencing since they first got their first loan and ventured in to business and start using drought resistance seeds and the recommended fertilizers. The high harvests are as a result of practicing smart agriculture like mangoes farming and mung bean. This has brought self-reliance to most of the women who were depending on their spouses and other family members for provision hence creation of employment opportunities to themselves and the community. This has led to economy development in the area.

The fund has seen the groups acquire more assets such as land, tents, and chairs, outside catering equipments, boda boda and tuk tuks.

"From our second loan (200,000 Kshs.) we bought a tuktuk to start supplying water which is a rare commodity in this area and we have seen the business grow since we have bought other three tuk tuks with the profits we have made from the business". Wendano Jua Kali Self Help Group Member

Through the table banking initiative, they have been able to increase their savings. Table banking has been the back bone of their saving initiative since they got their first loans from WEF.

The group members have been involved in decision making at all levels in their families regardless of their gender. This has led empowerment of each family member through involvement in making key decisions such as loan acquisition, investment decisions, running of their businesses and acquisition of assets.

The participants believe that, the fund has been well managed and administered since they have never heard any mismanagement of the fund by the fund officers. The WEF officers in-charge have been offering services as expected and required by laws guiding the management of the fund. The officers have been keeping proper records of the loan payments from each of the groups and they have been available at their service when called upon.

The group members have been having a challenge when they are required to make their first payment of their loan. The loan guidelines do not offer a timeline to have profits first before starting the payment. This has been a challenge to those who have ventured into business. For those in agri-business, it takes long for the crops to grow and reach harvest season e.g. mangoes which are only on season once a year. Drought has been another challenge affecting those who have invested their money in smart agriculture. As it's known that the area receives low rains across the year and the longer periods of the year are dominated by harsh weather. This has led to low harvests despite using seeds adaptable to the harsh climatic conditions.

The fund guidelines should provide an opportunity for the beneficiaries to get profits from their investments before they start making their first loan payment. This will inform smooth loan payment with no hiccups hence the beneficiaries will experience greater enterprise growth and development.

In most of the areas across the country, businesses were associated with the rich people and men but affirmative action funds have given youth, women and People with Disabilities to flourish and implement their business dreams. This has led to provision of equal opportunities for all the groups to advance their lives despite of their gender.

Wendano Jua Kali

The group has been able to achieve so much with the WEF loan. They have initiated community related projects such as supply of water business which has been a lucrative business and enabled the community to access the rare commodity at affordable fee.

Kyeni kya Aka

With 20 members they have been able to have an impact in the community through their event organizing project and outside catering. The group used their loan as shown below:

Loan	Expenditure line
Kshs.100,000	Invested on table banking; made the payment of the loan with the first six months
Kshs.200,000	Invested in table banking
Kshs.350,000	Bought their catering services facilities and invested on table banking the balance
Kshs.500,000	Bought their own tents and chairs which will facilitate their event organizing business

Loving Mothers

The group comprises of ten young mothers and no man has been recruited to join the group. With their first loan, they bought twenty goats then shared among themselves with each member getting two goats. Each member contributed one goat after the first proceeds from the project. They later sold ten goats and used the money to invest in table banking. With the second loan of Kshs.200,000, they started poultry keeping which is run at a central place by the group members. From this project, they have been able to excel in selling of eggs in the area which brings more proceeds to the group. They have been able to pay the two loans within the stipulated time and they are now on the process of applying for Kshs.350,000.

They plan to use the money in buying an eggs incubator which will bring greater help in their business. This will open an opportunity to expand their business and start selling chicks which they believe will be a great investment and will bring value for money.

Katethya Self Help Group

The group invested in table banking from their first WEF loan. With the second loan of Kshs.200,000, they shared the money among themselves so as each member to invest on their own businesses.

Kithumbi Women Group

They invested their first loan money (Kshs.100,000) on table banking where they share the profits every month. With the second phase loan of Kshs.200,000, the group members shared the money amongst themselves for individual investment.

In conclusion, it has been noted that table banking has been a common venture for all the groups and it seems it's proceeds are high since all the groups invests their money in it.

WENDANO JUA KALI GROUP SUCCESS STORY

The group was formed in January 2012 and has 20 members with 70% women and 30% men. It started as a merry go round group with fewer members on board. Below is the list of the loans the group have taken from WEF:

LOAN (KSHS.)	YEAR TAKEN/MADE
100,000	August 2015
200,000	April 2016
350,000	May 2017
500,000	December 2018

The group made the first application in 2014 but it didn't not go through although WEF office never communicated why their application had not been approved. With their hard work, they cast their nets into the water again in 2015 with a fresh application and they were awarded their first WEF loan. To advance their table banking business, they invested some of the money on the business and shared the remainder of the money for personal investment. The profit margin from their table banking was quite high and they managed to pay their loan within the first six months. This was also informed by smooth individual loan payment process. With no waste of time, they applied for their second phase loan of Kshs.200,000 and received it on April 2016. The group invested the whole batch in their first project of water supply. They bought a tuk

tuk which they have been using to supply water in the area. The business has been booming and they have been able to buy two more tuk tuks which now cover a wide range of services in the location. This project has created employment for many youths who didn't have any income generating activity. In addition, they were able to pay the loan within six months from the proceeds of their businesses.

On May 2017, Wendano Jua Kali received their third phase loan of Kshs.350,000. Since they had invested so much on their table banking business, they took the challenge high to start a company and goat keeping project with the third phase loan. They registered a company by the name Marunge Enterprise and applied for AGPO (Access to Government Procurement Opportunities). With the AGPO certificate they have been accessing procurement opportunities from the Kitui county government for supplies of goods and services. Kitui County Government awarded them with a tender to construct an Early Child Development (ECD) class at Syokithumbi Primary school. The members believe that, this has been one of the biggest achievements and accomplishments they have made since the group was formed. In addition, their goat keeping project has been doing well since they keep them for selling purposes.

On December, 2018, Wendano Jua Kali made their fourth phase loan of Kshs.500,000. They are planning to start outside catering services targeting the whole constituency.

"There is no any other group in the County which has managed to register a company from a humble beginning as us". Margaret Syano, Wendano Jua Kali Member