

PROGRAMME DESCRIPTION

Purpose and Overview

The Kenya Rural Enterprise Programme (REP) has been created to support non-governmental organizations (NGOs) to assist the rural poor in enterprise development. The programme is based on an assessment of NGO income-generation projects in Kenya and is designed to respond to the diverse needs of such organizations. Thus we offer both financial assistance (i.e., grants) as well as technical advising and training in such areas as:

- planning, administration and management for income-generation assistance;
- accounting and financial management;
- field-staff training in outreach, management assistance, marketing and credit;
- revolving credit-fund administration and follow-up; and
- related areas of social and organizational development.

Initial funding for the programme has been provided by USAID as part of a larger effort to support non-governmental efforts, both business-related and voluntary in nature.

The programme is being initiated by World Education, Inc. (WEI), a U.S.-based NGO, which is specialized in non-formal education, training and organizational development. Partnership for Productivity/International (PFP/I) of Washington, D.C., is providing to the programme, on an as-needed basis, advisors with experience in assisting small enterprise projects. However, reflecting the intent to establish the programme as an independent Kenyan agency, the majority of REP senior staff are Kenyan and Kenyan advisors will be used wherever possible. In addition, a Project Review Committee composed of prestigious Kenyans with experience in related fields, has been established to make all decisions regarding the disbursement of grant funds to projects and to guide the organization in policy matters.

Participation in the Programme

It is the aim of the programme to remain as open and responsive to as many viable projects as possible, and to complement and encourage innovation and learning in this vitally important area. We thus plan to work as a partner with NGOs and for this reason, all REP staff come from NGO backgrounds. Our aim is to respond to the activities of relevant organizations, offering technical support and financial assistance as appropriate.

To the extent possible, we also wish to promote collaboration among NGOs, both in solving technical and programmatic problems and in cooperating to initiate and/or expand programmes. Toward this end, we are establishing an Advisory Committee to be composed of representatives from all groups receiving support from the programme. This committee will discuss mutual matters of concern in planning and implementing income-generation programmes on matters of policy and future directions. In this way, we will rely upon participation and dialogue in the programme from the very beginning.

The programme will render assistance to Kenyan non-governmental organizations* which must:

- (i) operate on a not-for-profit basis;
- (ii) either have prior experience with income-generation projects or demonstrate a capacity to perform well in this area of activity;
- (iii) be administratively sound or have the capacity to become so.

Participation is also open to U.S. NGOs which demonstrate strong institution-building relationships with Kenyan counterpart organizations at local or intermediary levels. We can therefore assist a wide variety of organizations, from local-level groups, (such as women's organizations or local churches) to larger, intermediate-level NGOs and collaborating international organizations. Through such a broad array of institutions, we hope to provide assistance to clients who do not have access to conventional services and credit.

Projects seeking financial assistance should:

- be targeted toward productive, income-generating activities;
- directly assist the poor;
- be cost effective in reaching the poor;
- be for off-farm activities;
- be rural, (be principally outside Nairobi and Mombasa) and;
- be financed at least 25% from internal or other sources available to the NGO.

In addition, we would prefer to support projects which promote production enterprises and which assist women.

* By "Kenyan non-governmental organization" we mean an organization which:
(a) is registered under the laws of Kenya,
(b) is controlled and managed by a governing body, a majority of whose members are citizens of Kenya and,
(c) has its principal facilities and offices in Kenya.

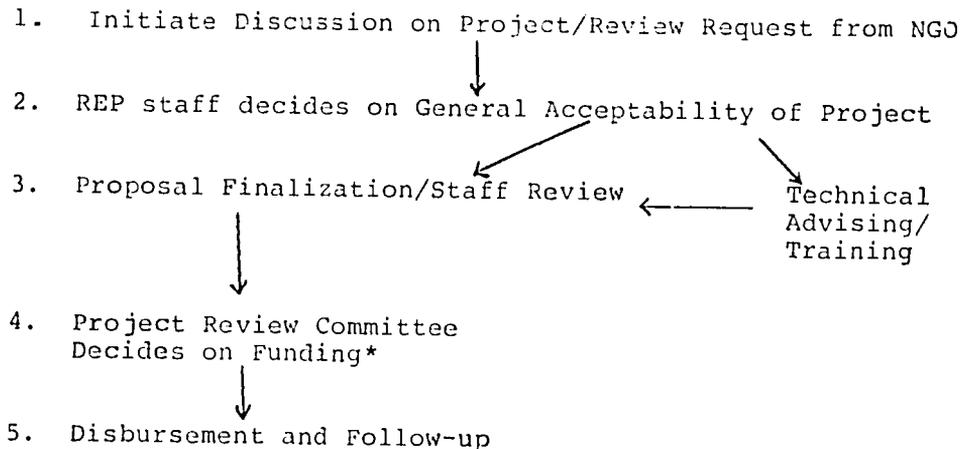
The REP can fund all aspects of programmes related to enterprise development, including funds for credit, support for business staff and activities, as well as social-development activities directly related to enterprise development (e.g., activities such as outreach, programme promotion, group formation, etc.). We recognize that it is the social and promotional activities of NGOs which lay the basis for the successful delivery of credit and other services. For this reason, we will attempt to complement this holistic approach to programmes which has distinguished NGOs in development.

Project Assistance

In providing assistance to projects, we will remain flexible and responsive as long as the project and institution in question is basically viable. We will work with project staff to determine the type of assistance needed and how such assistance might best be delivered. For instance, some organizations might have all systems and staff in place to implement a particular project and we will proceed directly to reviewing their proposal for funds. Other organizations, either established or new, that wish to strengthen their internal systems, such as the administrative procedures for a revolving loan fund, as a first step might request technical assistance and training. Finally, there may be instances in which we concurrently provide financial and non-financial assistance to an organization. We can therefore deliver a broad range of assistance to a variety of organizations.

We may summarize our assistance process as follows:

Assistance Process



* USAID must also approve all projects requesting Kshs. 1.5 million and above.

As can be seen, in steps 1-2, joint discussions are held to outline the project in question and the assistance required; REP staff then make an initial decision as to whether the project meets the basic criteria outlined above, and whether the project is viable. Once a project is found acceptable, either non-financial assistance (e.g., training) and/or proposal writing for financial assistance is pursued, perhaps concurrently (step 3). Some projects may wish only technical advising and training; others only finance, others both. Final decisions on all grants will rest with the Project Selection Committee (step 4), while USAID retains the right to review projects applying for over Kshs. 1.5 million.

To implement this diverse assistance process, we have, firstly, an experienced staff which includes a Programme Director, a Project Development and Review Director, a Credit Specialist, Accountant/Finance Manager, and a Training Advisor. Secondly, both international consultants (through PfP/I) and Kenyan consultants can be made available to projects as needed. Thirdly, we have assembled a Project Review Committee whose deep experience in this field should serve the REP and NGO projects well.

For those groups interested in exploring the possibility of assistance through the Rural Enterprise Programme, please contact:

Director of Project Development
Kenya Rural Enterprise Programme
Minet ICDC House Ground Floor
Mamlaka Road
P.O. Box 39312
Nairobi

Tel: 722792/720173

Attached is a list of the Project Review Committee Members.

The Project Review Committee is as follows:

- Mr. B.A. Kiplagat, Permanent Secretary,
Ministry of Foreign Affairs
- Miss. Mary Ang'awa, Magistrate,
Law Courts
- Mr. Mathias Keah, Chairman
Keah and Company
- Mr. Harold Miller Representative for Food &
Peace
Mennonite Central Committee
- Dr. Kabiru Kinyanjui, Director
Institute of Dev. Studies,
University of Nairobi
- Mr. Francis Kihiko, Manager,
Safari Park Hotel
- Mr. Justus Omollo, USAID

Grants: Purpose and Location

<u>Pro.No.</u>	<u>Name</u>	<u>Purpose</u>
001-014	NCKK	Assist Small Business of the very poor with loans and technical assistance. Operates in Nairobi, Mombasa, Kisumu, Kakamega, Nakuru and Eldoret.
002-003	Appropriate Technology Advisory Committee (ATAC)	To select and train local fundis to produce and maintain small agricultural machines, such as back-pack sprayers. Program will operate nationally with selection of fundis through DDCs.
003	Kenya Women Finance Trust	To make loans to individual women's enterprise in Nakuru, Kiambu, Thika and Murang'a.
004	Jisaidie Cottage Industries	To help market handicrafts from rural producer groups in Machakos, Siaya, Kajiado, Mombasa and Turkana Districts.
005-010	Maendeleo Ya Wanawake	To assist rural women from all districts to attend the international women's conference to publish a catalogue of management services available to local women's groups.
007	Daraja Trust, Ltd.	To strengthen Daraja's capacity to lend to informal sector industries in Kiambu and Kajiado Districts.
008	YWCA	To assess the feasibility of establishing a mango packing and processing industry among rural women's groups in Lower Tana.
009-012	Diocese of Eldoret	To establish a small-business advisory service for rural people in Trans-Nzoia and West Pokot Districts.
011	PCEA	To establish a wool centre to supply wool and marketing services to weavers and spinners groups in Nanyuki, Molo, Nyahururu, Nyeri, Laikipia and Nairobi.

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| 013 | Upweona Community
Development Centre | To establish small industries among
graduate trainees and local entre-
preneurs in Malindi, Kilifi and
Bwale Districts. |
| 015 | ICIPE | To hold a national seminar on the
protection of indigenous genetic
material, especially in agricul-
ture, through commercial means. |
| 016 | Reru Tinmiths | To upgrade tools and equipment and
increase production of hand-made
agricultural implements, Kiambu
District. |

NGO's Grant Schedule
As at July 1986

PROJECT NUMBER	GRANTEES ISSUE	DATE GRANT APPROVED	REVIEW COMMITTEE MINUTES No.	GRANT OBLIGATED	GRANT OBLIGATED
				Shs	\$
001	National Christian Council of Kenya	Feb 13.84	RES 19/85	753,216.00	\$45,649.45
002	Appropriate Technology Advisory Committee	Feb 13.85	RES 10/85	195,553.00	\$11,851.70
	Appropriate Technology Advisory Committee	May 2.85	RES 20/85	650,257.20	\$39,894.30
003	Kenya Women Finance Trust	June 11.85	RES 36/85	2,982,250.00	\$180,742.42
004	Jisaidie Cottage Industries	June 11.85	RES 35/85	1,100,000.00	\$66,666.67
005	Appropriate Technology Advisory Committee	June 11.85	RES 37/85	3,574,792.00	\$216,654.06
006	Maendeleo Ya Hanawake Organization	August 8.85	RES 19/86	578,000.00	\$35,030.30
007	Daraja Trust Ltd	August 8.85	RES 40/85	476,050.00	\$28,851.52
008	Young Women Christian Association	August 8.85	RES 42/85	255,000.00	\$15,454.55
009	Diocese of Eldoret	August 8.85	RES 43/85	89,835.00	\$5,444.55
010	Maendeleo Ya Hanawake Organization	August 8.85	RES 43/85	116,500.00	\$7,060.61
011	Presbyterian Church of East Africa	August 8.85	RES 45/85	378,000.00	\$22,909.09
012	Diocese of Eldoret	March 13.86	RES 13/86	3,116,977.50	\$189,907.73
013	Ujirongu Community Development Centre	March 13.85	RES 14/86	5,283,190.00	\$320,193.82
014	National Christian Council of Kenya	April 17.86	RES 20/86	11,724,293.00	\$710,563.21
015	ICIPE Conference	July 31.86	RES 32/86	82,600.00	\$5,006.06
016	Peru Timsmiths	July 31.86	RES 33/86	20,000.00	\$1,212.12
TOTALS TO DATE				31,384,521.70	\$1,902,032.22
TOTAL PROJECT FUNDS				69,300,000.00	\$4,200,000.00
BALANCE				37,915,478.30	\$2,297,907.78
Forthcoming Next Two Quarters					
Catholic Diocese of Meru				6,000,000.00	\$363,636.36
PCEA - Chogoria				5,000,000.00	\$303,030.30
PFF/Kenya				6,500,000.00	\$393,939.39
YWEA				6,000,000.00	\$363,636.36
KENGO				3,000,000.00	\$181,818.18
MASHO				3,000,000.00	\$181,818.18
Enbu Salesian Training Centre				61,000.00	\$3,696.97
EXPECTED TOTAL GRANTS: 1/JANUARY/87				60,945,521.70	\$3,693,667.93
TOTAL PROJECT FUNDS				69,300,000.00	\$4,200,000.00
EXPECTED BALANCE: 1/JANUARY/87				8,354,478.30	\$506,332.02
U.S. \$ 1.00 = Kshs 16.5					